

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MARCH 16, 1933

One Hundred and Ninth Annual Statement

1824—1933

United States Fire Insurance Company of New York

Organized 1824

STATEMENT DECEMBER 31, 1932

ASSETS		LIABILITIES	
Cash in Banks and Trust Companies.....	\$ 1,565,582.14	Reserve for Unearned Premiums.....	\$10,582,275.50
*United States Government Bonds.....	4,449,585.91	Reserve for Losses in Process of Adjustment.....	1,882,224.00
*Other Bonds and Stocks.....	19,158,007.96	Other Liabilities.....	496,412.62
First Mortgages on Real Estate.....	1,686,073.85	Contingency Reserve.....	7,945,540.31
(141 Mortgages—Largest Individual Loan \$65,000)		Capital.....	\$2,000,000.00
Real Estate.....	9,896.80	Net Surplus.....	5,671,467.79
Premiums in Course of Collection.....	1,401,741.24		
(Not over 90 days)		Surplus to Policyholders.....	7,671,467.79
Bills Receivable, not due.....	173,425.46		
Interest Accrued.....	90,356.61		
Reinsurance due and Other Assets.....	43,250.25		
	\$28,577,920.22		\$28,577,920.22

*Valuations on basis approved by the National Convention of Insurance Commissioners.

RISKS WRITTEN

Fire—Tornado—Automobile and Automobile Damage—Aircraft and Aircraft Damage
Explosion—Riot and Civil Commotion—Sprinkler Leakage—Rain—Hail—Earthquake
Inland and Ocean Marine—Fine Arts—Jewelry and Fur Floater (All Risks)—
Parcel Post—Use and Occupancy—Rents—Leasehold

One Hundred and Eleventh Annual Statement

1822—1933

The North River Insurance Company of New York

Organized 1822

STATEMENT DECEMBER 31, 1932

ASSETS		LIABILITIES	
Cash in Banks and Trust Companies.....	\$ 1,222,699.30	Reserve for Unearned Premiums.....	\$ 6,888,962.15
*United States Government Bonds.....	3,226,880.25	Reserve for Losses in Process of Adjustment.....	1,374,358.00
*Other Bonds and Stocks.....	15,469,769.02	Other Liabilities.....	256,306.24
First Mortgages on Real Estate.....	657,249.00	Contingency Reserve.....	6,602,757.65
(73 Mortgages—Largest Individual Loan \$35,000)		Capital.....	\$2,000,000.00
Real Estate.....	4,549.36	Net Surplus.....	4,385,287.09
Premiums in Course of Collection.....	788,672.41		
(Not over 90 days)		Surplus to Policyholders.....	6,385,287.09
Bills Receivable, not due.....	62,045.43		
Interest Accrued.....	49,595.05		
Reinsurance due and Other Assets.....	26,211.31		
	\$21,507,671.13		\$21,507,671.13

*Valuations on basis approved by the National Convention of Insurance Commissioners.

RISKS WRITTEN

Fire—Tornado—Automobile and Automobile Damage—Aircraft and Aircraft Damage
Explosion—Riot and Civil Commotion—Sprinkler Leakage—Rain—Hail—Earthquake
Inland and Ocean Marine—Fine Arts—Jewelry and Fur Floater (All Risks)—Parcel Post—
Use and Occupancy—Rents—Leasehold

CRUM & FORSTER

MANAGERS

110 WILLIAM STREET, NEW YORK

Western Department
FREEPORT, ILLINOIS
F. M. Gurd, Manager

Southern Department
ATLANTA, GEORGIA
Hines Bros., Managers

Pacific Department
SAN FRANCISCO, CAL.
Ward S. Jackson, Manager

Carolinas Department
DURHAM, NORTH CAROLINA
J. F. Glass, Manager

Allegheny Department
PITTSBURGH, PA.
George W. Unverzagt, Manager

"And we wondered if we needed that Burglary Insurance!" This is a good time to suggest Residence Burglary Insurance to your clients.



THE TRAVELERS

Life - Accident
Liability - Automobile
Health - Steam Boiler - Compensation

The Travelers Insurance Company
The Travelers Indemnity Company
The Travelers Fire Insurance Company
Hartford, Connecticut

Fire - Windstorm
Group - Plate Glass - Aircraft
Burglary - Machinery - Inland Marine

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MAINTAINING THE "GOLD STANDARD"

Every Ætna policyholder
Has the comforting assurance
Of unquestioned protection
And undiminished service.

It pays to be Ætna-ized;
It pays to be an Ætna-izer.

THE ÆTNA CASUALTY AND SURETY COMPANY

affiliated with

THE ÆTNA LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

1850



1933

WIND DESTROYS!
Are your clients covered
by Windstorm insurance?



The AMERICA FORE GROUP of Insurance Companies
 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
 AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Board
 BERNARD M. CULVER, President

ERNEST STURM, Chairman of the Board
 WADE FETZER, Vice Chairman
 BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Seventh Year—No. 11

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MARCH 16, 1933

\$4.00 Per Year, 20 Cents a Copy

Insurance People Getting Cleared

Banking Tangle Will Not Get
Straightened Out for Some
Days

PATIENCE BEING SHOWN

Collections Will Be More Greatly In-
volved Because of the Moratorium
Condition

On Monday morning insurance offices began pulling themselves out of the bank moratorium where transactions were in federal reserve city banks that had been certified to by the national government. Then as the days went by more banks were opened and checks and drafts were cleared. Banks accepted for collection only checks and drafts on banks that had been licensed at Washington. Some banks are still being held back and many will not be reopened. There were thousands of checks and drafts in various stages that were deposited a day or two previous to the Illinois-New York moratorium and others had been issued on banks in states where either a state or regional moratorium was in effect prior to that eventful day.

Time to Unscramble Checks

It will take some time to unscramble all these checks and drafts. The declaration of the national moratorium through presidential proclamation established a definite holiday and hence all checks held until the ban was lifted were not affected in any way by their being retained. A check is not regarded as payment of an obligation until it is cleared but holding a check over one business day puts any resulting loss on the holder provided the check would have been paid if promptly presented. However the proclamation preserved the status quo. Cashiers kept an account from day to day of the banks that opened and were depositing checks drawn on these institutions. The banks naturally will require many days before they can get their decks cleared. Therefore, insurance offices are patient and will have to exhibit tolerance until the machinery is in working order again.

Many Banks to Remain Closed

A number of banks will not open on a 100 percent basis because they cannot get the sanction of the federal government. This will have considerable effect in the payment of premiums and agency balances.

Some branch and department offices found that they would be short in cash because they were not able to get in money from states or cities that declared moratoria and hence had to have their head offices help them. This was the case where money was being dispatched to head offices and no large

(CONTINUED ON PAGE 23)

Insurance Loss in Quake Is Comparatively Slight

Early Estimates from San Fran-
cisco Place Loss at
10 Percent

By A. V. BOWYER

SAN FRANCISCO, March 15.—Due to the fact that earthquake insurance volume in California dropped materially during the past year, losses in the southern California disaster are expected to be comparatively small. Early estimates indicate the total insurance loss will be about ten percent but in earthquake insurance early estimates often prove incorrect as buildings frequently are found to be more seriously damaged than visible to the naked eye before rebuilding starts.

Company managers in San Francisco constantly in touch with representatives in the field, reported Monday that the deductible provisions ranging from five to 15 percent will likely be the limit of the loss in a majority of the cases, thus placing the loss entirely in the hands of building owners. It is expected that earthquake insurance on some of the finer residences in Los Angeles and Long Beach will aggregate a substantial amount. Most of the damage is in Long Beach, known to fire companies as "a non-board town." However, a check with these companies does not reveal any alarming situation and their managers do not admit an unreasonable amount of liability. In Los Angeles the damage appeared to be mostly to the older buildings although it is reported the Pacific Finance building, home office owned by International Reinsurance, and the Union Automobile Insurance building were severely damaged.

Deductible Forms Used

Refusal of property owners to pay the rates and accept the underwriting rules laid down by the Board companies probably saved a huge loss. This coupled with the fact that many mortgagees decided to save the premiums due to economic conditions are accepted as the principal reasons why the losses will not exceed the extremely low figure the companies now estimate. Earthquake insurance is written under deductible forms, according to classification. The state is divided into four districts. Los Angeles and San Francisco are in the same district or zone for rating purposes but Imperial Valley carries the highest rate. The rule divides the risks into eight classes, the highest being bridges, reservoirs and dams.

Immediately after the first report of the shock K. M. Withers, manager Fire Companies Adjustment Bureau; Charles H. Lum, assistant general manager National Board, and George Townsend, Fireman's Fund, flew to the scene. Several other company managers followed Saturday and Sunday. Their reports to company offices in San Francisco indicate the first news was greatly exaggerated as far as insurance losses are concerned. There will be considerable

(CONTINUED ON PAGE 18)

Central Committee of National
Board Set Up for Clearing
Losses

By F. E. DUDLEY

LOS ANGELES, March 15.—It has been estimated that property damage resulting from the earthquake which rocked southern California last Friday night will approximate \$35,000,000, two-thirds of which was suffered in Long Beach. The Huntington Park district experienced severe damage and heavy loss of property including a \$750,000 high school building which was destroyed by fire following the quake.

Compton was struck harder than any other southern California city in the quake area, practically every major building in the city being wrecked. From evidence on the concrete highway it is believed a minor fault is located in that district.

Non-board fire companies affiliated with the California Insurance Bureau held a meeting and agreed to make full board charges for falling building clause and earthquake insurance.

It is impossible at this time to estimate the amount of liability for property damage suffered by companies carrying fire and quake coverage.

It is understood the National Board is making arrangements for adjustment of claims and agencies have been notified to see that all claims for losses are referred to central committee of the board and nothing done toward adjustment until this committee is in active operation. It has been estimated that fire insurance liability for property damage will not exceed two million dollars.

There is now a heavy demand for quake insurance but companies are going

(CONTINUED ON PAGE 18)

Abandon Stock Market as Basis of Valuation: Dugal

MONTREAL, March 15.—This is an opportune time for the National Convention of Insurance Commissioners to embark on a permanent program of valuation, said B. A. Dugal, superintendent of insurance of Quebec, in an address to the Canadian Society of Cost Accountants. If this action is postponed until the upward progress of stock values is again under way, resistance will be met in some quarters, he said.

"We must abandon stock market prices as a basis for valuation," said Mr. Dugal. "They never have been and never will be a true barometer of values for securities, when a security is quoted one day at 100 and the next day at 70. The value of a security can only be established by a thorough analysis of the balance sheet of the institution which issued it, also taking into consideration how the general investing public welcomes the security on the market."

Find California Losses Nominal

Insurance Suffers Negligibly
When Seriousness of Quake
Considered

NO COMPANY HIT HARD

Poor Construction Predominated in
Districts That Were Affected by
the Disturbance

SAN FRANCISCO, March 15.—Exhaustive check on estimates of losses from southern California earthquake results in confirmation of the earlier prediction that losses would be so nominal as to be practically negligible when the seriousness of the quake is considered. Office after office employs the word "nominal" as the estimate for both fire and earthquake.

With a large corps of adjusters and inspectors in the field reporting frequently all day Tuesday, company managers were in the main backward in expressing estimates in figures. The Fireman's Fund reported an "outside" figure of \$75,000; the Royal-Liverpool group made the most liberal estimate, ranging from \$100,000 for the L. & L. & G. to \$150,000 for the Royal fleet. The North British cannot see more than \$25,000 and a score of offices estimate between \$10,000 and \$25,000. Edward Brown & Sons, general agents for the Globe & Rutgers, believed to be a large writer, and other companies state that present indications show \$50,000 as a large figure. Some offices report nothing to date.

Fire Loss \$300,000

A direct report from the district Tuesday stated fire losses will not exceed \$300,000, as far as insurance companies are concerned, and this scattered through many companies. The main fire losses to be adjusted are on two school buildings, with the possibility of these making up two-thirds of the total. Most of the earthquake damage is in Long Beach, Compton and Huntington Park, where but a very nominal amount was in effect.

Board company managers express the opinion that a group of small independent companies with headquarters in Los Angeles have been writing earthquake without the deductible protection. In the districts directly hit, the scene is one of distress and destruction owing to the type of construction in that section. The earthquake emphasizes the lessons learned in 1925 from the Santa Barbara quake, which showed that buildings not "tied together" with veneer brick, stucco or similar facings suffered the most.

In Long Beach and adjoining towns it has been the practice to build with no basement and foundation, virtually on top of the ground. These buildings, mostly one and two story mercantile

(CONTINUED ON PAGE 19)

Consideration Is Asked by Premium Finance Concerns

WANT HELP IN EMERGENCY

Insurers Requested to Grant Pro Rata
Cancellation Under Circumstances
Caused by Moratorium

NEW YORK, March 15.—The companies have received from most of the premium finance concerns requests for cancellation of financed policies on a pro rata basis where this is necessary to protect the finance company because of conditions incident to the bank moratorium.

The First Bancredit Corporation sent its request for this consideration in connection with specific policies, while the National Guaranty & Finance Co. of Columbus, O., and the Insurance Premium Finance Company of Cleveland sent out a general letter.

The notice sent by the First Bancredit Corporation reads in part as follows: "The assured defaulted in his instalments or we hold returned checks covering instalments due on — and consequently we were obliged to send

(CONTINUED ON PAGE 20)

Estimates of California Loss Given by Many Companies

Reports from individual companies bear out the general observation that earthquake and fire insurance losses in the southern California disturbance will not be of major proportions. On the whole, earthquake liability was underwritten carefully in southern California, much of it had not been renewing in the last year or so and the deductible provisions of the earthquake policy will operate to relieve the insurance companies of much loss.

Following are reports from individual companies on their loss and liability in the region:

Agricultural—President H. R. Waite wires: "Have no estimate of our loss, but earthquake liability in affected area small."

America Fore—Estimated loss \$50,000 covering both fire and earthquake.

American—Estimated total loss about \$30,000.

Atlas—No figures available.

Automobile—Vice-President Alfred Stinson wires: "Have not received any specific information about liability coast. Very small indeed."

Buffalo—Earthquake and fire loss estimated at \$2,500.

Caledonian—No earthquake loss.

Commercial Union—No figures available. Loss slight.

Corroon & Reynolds—Loss slight. No figures available.

Crum & Forster—Estimated loss \$75,000 covering both fire and earthquake.

Dubuque F. & M.—Secretary S. F. Weiser states: "Anticipate no earthquake loss claims. Dubuque Fire & Marine or National Reserve having virtually discontinued writing the class in southern California in June, 1928. No fire losses reported up to date."

Eagle, Star & British Dominions—Estimated loss \$50,000.

Eureka Security—President B. G. Dawes, Jr., advises he is informed by I. M. Fisher, Inc., of Los Angeles gross loss of Eureka Security will not exceed \$80,000 and net loss \$35,000. Total California earthquake liability of Eureka Security as of Jan. 31, 1933, was \$2,000,000 net. President Dawes says earthquake business has been running rapidly off the books of the company.

Fire Association—President O. E. Lane wires: "Preliminary reports indicate

(CONTINUED ON PAGE 20)

Earthquake Not Insurance Calamity, Hartford Men Say

DON'T EXPECT HEAVY LOSSES

California Region Affected Is Described
by Company Executives as Coney
Island Type

HARTFORD, March 15.—Insurance officials here express the opinion that the loss to Hartford companies through the earthquake in southern California will not be heavy. The fire loss is understood to be small. This is the opinion in the absence of detailed reports from the area.

R. M. Bissell, president Hartford Fire, expressed the belief that quake claims against the largest companies in the country would probably total between \$250,000 and \$350,000.

Executives here characterized the region affected as the "Coney Island of California." Consequently, they said, insurance risks in this section were at a minimum.

The last year in which figures are available show premium income from earthquake insurance in California by Hartford companies to be \$265,174 in 1931. Total earthquake insurance for the state of California totaled \$264,175,216. Of this \$37,935,234 was held by Hartford companies.

Comment by Executives

In commenting upon losses executives said:

G. L. Burnham, Aetna Fire: "It is expected that losses will be small."

G. C. Long, Jr., Phoenix of Hartford: "The earthquake is in no sense to be viewed as an insurance catastrophe. The Phoenix does not expect heavy losses. This earthquake was forecast for years and we have governed ourselves accordingly on our risks."

George E. Jones, Rossia: "Business of the Rossia for the past year in California has been on reduced volume. After survey of earthquake volume five years ago business was substantially reduced. We do not anticipate any serious losses."

President Frank D. Layton of the National Fire anticipated small losses.

Williams Gives First Hand Account of Quake Damage

R. H. Williams, vice-president of the Travelers Fire, who is on the coast, wired the New York "Journal of Commerce" some of his impressions of the earthquake situation. Small insurance loss is indicated in Los Angeles city proper, the damage consisting mainly of cracked marble, terra cotta finish and plaster damage. The earthquake loss in Los Angeles probably will not be over \$200,000 in all companies, he estimates.

A liberal estimate of earthquake insurance loss of all companies in Long Beach, Compton and Huntington Park is about \$300,000, while the fire insurance loss in the same area is not more than \$2,500,000.

Because of superior buildings, the earthquake and fire loss was nominal in Los Angeles, according to Mr. Williams. The local fire department is unimpaired. Plate glass loss in all areas was severe, but the total insurance loss is estimated at not more than half a million.

Many Pay in Cash

The Travelers in a number of cities Saturday, March 4, returned checks that were received with a polite letter asking that remittance be made, when the moratorium was lifted, in negotiable paper. Some offices report that fully two-thirds of the policyholders sent postoffice orders or paid in currency, fearing to take any chances with their policies.

FIGURES FROM DECEMBER 31, 1932, STATEMENTS FIRE COMPANIES

	Assets	Change in Assets	Reins. Res.	Change in Reins. Res.	Capital	Surplus	Change in Surplus	Losses Paid	Net Prems.	Loss Ratio	Security Fluc. Res.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	\$
Albany	2,462,785	-53,952	600,068	-135,938	1,000,000	560,620	-74,908	376,599	565,381	66.6	201,572
Allemania	5,307,129	-623,306	1,757,658	-559,174	1,200,000	1,007,545	-639,119	1,040,470	1,337,759	78.0	.....
Amer. Alliance	8,825,470	-289,032	1,707,356	-72,067	3,000,000	2,052,570	-1,061,351	830,573	1,660,156	60.0	1,775,000
American Central	7,040,556	-489,664	2,834,384	-264,574	1,000,000	1,967,956	96,071	1,479,699	2,533,845	58.4	623,198
American Eagle	12,452,389	-578,004	3,800,417	-1,010,140	1,000,000	3,637,622	-872,454	2,052,168	3,468,516	59.0	.....
American Equitable	11,156,485	-164,229	4,753,259	-127,993	1,000,000	2,415,347	-1,704,251	2,703,842	4,681,124	57.7	2,015,326
American Natl., O.	893,255	-158,959	.....	.....	500,000	231,755	-66,417	60,261	.....	.....	150,000
Amer. Standard, Okla.	106,441	-27,347	842	-14,861	99,817	-4,182	-13,062	4,230	.....	.....	.....
American Union, N. Y.	2,381,472	-3,017	444,960	-33,092	500,000	1,102,451	62,007	165,537	317,260	52.2	8,945
Associated Reins.	1,282,756	-253,408	283,311	-527,217	400,000	234,926	-37,311	143,340	-36,375	.....	275,000
Atlantic, N. C.	537,347	-33,698	.....	-176,183	250,900	170,368	60,339	141,599	2,135	.....	.....
Atlas, Eng.	6,348,212	-334,005	3,187,444	-388,351	.....	2,201,515	-270,109	1,690,285	2,784,442	60.7	373,487
Automobile	19,985,336	-725,104	4,691,328	-596,628	5,000,000	2,582,231	-2,010,201	3,360,150	5,867,462	56.3	.....
Bankers & Shippers	5,376,709	-65,753	2,373,384	-38,783	1,000,000	1,002,429	-526,873	1,431,567	2,560,793	55.9	550,000
British America	2,603,877	-204,365	1,079,630	-254,916	2,000,000	642,260	-85,131	621,622	957,122	64.9	448,287
British General	1,244,919	-75,731	491,499	-48,810	400,000	145,763	419	258,260	444,055	58.1	127,035
Caledonian	3,764,075	-247,069	2,177,408	-102,179	200,000	1,019,082	-118,752	1,217,383	2,233,107	54.5	.....
Caledonian-American	1,655,335	-49,826	350,436	23,226	200,000	1,088,046	79,259	113,229	258,973	43.7	.....
Central States, Kan.	1,545,774	26,499	.....	.....	800,000	542,774	27,499	.....	.....	.....	.....
Central Union	1,328,755	12,396	119,809	3,442	500,000	472,244	65,665	35,827	96,603	37.0	116,329
Commercial Stand., Tex.	1,341,681	107,895	471,605	66,113	400,000	290,148	31,378	449,462	903,045	57.0	.....
Commercial Union, Eng.	13,550,200	911,252	5,661,443	-757,755	400,000	4,000,956	-121,561	3,391,297	6,239,672	54.3	1,867,281
Commer. Union, N. Y.	2,997,936	339,818	1,014,311	-94,565	1,000,000	273,896	-91,089	526,346	906,240	58.0	516,082
Continental	84,856,092	2,090,915	22,555,228	-2,004,430	4,873,990	19,580,601	2,858,840	11,368,005	19,886,515	57.1	.....
County Fire, N. Y.	2,442,905	98,565	515,285	-3,519	1,000,000	525,754	-6,139	218,748	437,364	50.0	300,000
Employers' Fire	4,305,060	-205,323	1,552,097	-198,267	1,000,000	1,059,748	26,500	1,011,260	1,709,022	59.1	300,000
Fidelity & Guar.	4,787,920	-134,883	2,392,848	15,567	1,000,000	645,478	-145,253	1,473,604	2,875,582	61.2	250,000
Fidelity-Phoenix	67,242,176	1,688,516	18,045,761	-2,049,872	3,464,825	12,850,518	-24,924	9,616,226	15,534,206	62.0	.....
Firemen's, N. J.	42,944,722	-792,784	10,616,497	1,081,830	9,397,690	11,288,020	-2,222,803	5,014,383	10,721,549	46.5	.....
First American	3,930,890	-85,757	916,142	-141,351	1,000,000	841,150	-361,319	460,407	756,833	60.9	.....
Fonciere	359,643	11,590	.....	.....	200,000	124,575	-12,689	-17,943	15,210	.....	31,325
General Schuyler Fire	490,577	-42,521	50,292	24,208	200,000	232,319	-17,008	19,972	60,580	32.0	.....
Girard F. & M.	6,003,209	289,197	1,974,786	-1,066,062	1,000,000	1,133,221	98,676	932,908	1,048,524	89.0	.....
Globe & Republic	7,176,332	-172,796	3,058,041	-275,352	1,000,000	1,541,162	-922,973	1,731,779	3,010,290	57.5	1,017,224
Globe & Rutgers	71,900,130	-8,963,511	19,100,961	-8,950,649	2,000,000	7,458,200	-7,273,805	17,668,002	17,866,490	99.0	.....
Great American	47,900,459	-3,168,220	15,557,641	-1,585,671	8,150,000	12,011,342	1,944,392	8,091,370	14,411,033	66.1	8,600,000
Hamilton, N. Y.	2,171,657	-3,965,565	269,163	-176,432	500,000	726,019	-1,680,764	217,824	227,110	109.0	.....
Importers & Exporters	2,353,339	-611,973	533,489	-521,622	1,000,000	352,586	-356,496	589,482	552,446	106.3	243,292
Knickerbocker	5,079,985	-504,969	1,661,014	-148,791	1,000,000	1,064,463	-926,140	937,632	1,633,511	57.4	1,044,305
London & Scottish	1,758,423	-32,976	470,325	-64,629	200,000	884,382	140,027	196,340	387,923	50.6	100,000
Massachusetts F. & M.	2,880,964	84,239	634,467	-30,651	1,000,000	415,454	-369,779	286,977	611,396	46.9	700,000
Memphis Fire	68,774	-2,836	.....	.....	50,000	11,706	-5,657	810	2,477	40.4	.....
Merchants & Mfrs.	3,976,706	-122,403	1,562,260	-110,662	1,000,000	510,031	-104,410	887,516	1,537,536	57.7	150,000
Metropolitan, Ill.	256,410	.....	.....	.....	125,000	110,000	65,553	.....	.....	.....	4,410
Metropol. Fire Reassur.	3,760,278	.....	1,429,445	.....	400,000	1,023,394	.....	1,057,426	1,387,579	76.0	575,000
Netherlands	1,647,580	-97,063	518,957	-54,610	200,000	873,067	-17,152	263,389	460,605	58.4	.....
New Jersey	3,672,863	47,670	1,550,517	-179,910	1,000,000	525,737	-65,211	905,602	1,526,214	59.3	200,000
New York Fire	6,490,626	-79,037	2,260,291	-203,521	1,000,000	1,607,708	-1,087,849	1,283,415	2,224,881	57.6	1,208,468
Northern Assur., Eng.	7,994,434	-555,626	4,156,624	-332,830	400,000	2,103,921	-430,375	2,286,923	2,876,231	60.8	300,000
N. C. Home	1,126,696	-1,587,252	46,331	-398,131	500,000	335,444	-596,803	66,903	-352,012	.....	215,000
North River	21,507,671	-1,803,317	6,888,962	-1,562,298	2,000,000	4,385,287	-1,780,662	4,258,428	6,045,890	70.4	6,602,758
Ohio Cas.	3,295,479	90,834	1,391,712	53,036	600,000	328,176	-186,340	1,145,726	2,880,224	39.9	121,745
Pacific Fire, N. Y.	6,007,504	7,042	2,761,210	-92,110	1,000,000	1,034,414	-498,102	1,622,586	2,934,689	55.2	600,000
Pacific Natl.	3,371,210*	373,016	982,328	259,546	1,250,000	1,005,719	72,430	302,302	784,355	38.5	.....
Palatine	3,767,924	372,123	1,570,438	-145,060	400,000	866,412	-126,974	812,796	1,399,237	58.0	616,866
Potomac	3,464,831	-186,899	1,291,149	-173,887	500,000	960,542	-46,430	924,557	1,335,728	69.2	363,614
Prudential, Eng.	5,025,835	622,206	2,422,929	850,684	500,000	1,025,451	-177,164	1,086,703	3,001,864	36.2	.....
Queen City, S. D.	186,630	3,262	.....	.....	100,000	35,854	574	55,538†	98,181‡	57.0	.....
Rochester Amer.	3,377,233	114,352	680,799	14,369	1,000,000	843,675	-381,268	305,743	700,696	43.6	725,000
Rossia	8,496,904	-3,079,414	3,020,390	-1,225,550	1,500,000	2,097,912	-1,022,009	8,087,106	3,743,129	82.0	1,025,000
Scottish Union & Natl.	8,695,312	-367,436	3,848,414	-560,567	400,000	2,393,770	-154,496	1,976,185	3,040,320	65.0	1,388,164
Southern, N. Y.	3,328,210	-224,041	783,716	-149,111	1,000,000	1,422,679	32,980	459,839	771,584	59.5	.....
Standard, N. Y.	5,965,405	2,364,132	1,186,730	-28,873	1,500,000	1,922,578	751,423	586,795	1,055,555	52.0	.....
Star	5,129,154	-55,894	1,862,272	-201,511	1,000,000	1,157,368	263,687	896,945	1,720,611	52.0	.....
Switzerland Gen.	1,547,999	-203,467	.....	.....	400,000	612,189	-270,468	80,787	229,509	38.1	109,244
Thames & Mersey Mar.	1,252,460	-97,058	122,419	-148,117	200,000	598,811	60,860	206,613	420,571	49.0	63,696
Union, Eng.	2,823,101	345,906	1,292,106	-123,817	400,000	422,789	-12,319	670,020	1,159,460	57.7	472,941
United States Fire	28,577,920	-1,634,017	10,582,275	-1,822,316	2,000,000	5,671,467	-1,413,541	5,877,133	9,399,422	62.5	7,945,540
Westchester Fire	19,326,833	-1,696,955	7,269,436	-1,639,092	1,000,000	3,934,583	651,927	4,725,758	6,973,886	67.7	4,635,824
Western Assur.	4,522,329	-257,550	1,647,044	-287,761	400,000	1,421,922	-188,898	990,249	1,615,628	61.3	513,082
Zurich Fire	900,495	-31,474	169,297	-111,390	200,000	360,743	-10,794	227,114	350,995	65.0	.....

Consider Future of Bank Agencies

Interpretation of Glass Federal Reserve Measure May Cover Insurance

ACT IN SEVERAL STATES

New York Banks' Action Viewed as Step Toward Divorcement of All Outside Activities

NEW YORK, March 15.—The future of bank insurance agencies is being considered in light of the announcements of the National City Bank and the Chase National Bank that they will restrict their operations to legitimate banking. Should the same step be taken by other financial institutions, eliminating their security affiliates, it seems probable that insurance departments will also be discontinued.

The Glass federal reserve bank bill providing for separation of affiliates, may be interpreted to prohibit bank agencies, even though insurance is not specifically mentioned, according to Secretary W. H. Bennett of the National Association of Insurance Agents.

Would Extend Restrictions

"Under the national banking law," says Mr. Bennett, "power of a national bank to act as insurance agent is restricted to such banks located in towns of less than 5,000 population. I think we should now give attention to an amendment to the federal reserve act, which covers a much wider field, which would provide that no member bank or officers or employees of member banks can engage in the business of insurance, on behalf of such bank."

"It would seem to be in order for state association officers to give consideration to procuring amendments to their state banking laws, which undoubtedly will come up for revision at the current sessions of the assemblies. A simple amendment which would provide that no officer, director or employee of any bank, or person, partnership or corporation in any way connected therewith, shall hereafter be engaged in the soliciting, negotiating or effecting contracts of insurance, on behalf of, in connection with, or in the interest of, any such bank, is all that would seem to be necessary."

Would Not Be Difficult

"It should not now be difficult to convince the lawmakers that the banks have their hands full even if they confine their attention to the banking business, and that engaging in the insurance business is even more foreign to their purpose than the securities business."

"Nor should it be difficult to convince them that the coercion of premiums through the strong arm of credit is unfair competition, and that the public welfare demands the services of the competent insurance agent."

EXPECT NEBRASKA BILL TO PASS

OMAHA, NEB., March 15.—The various insurance organizations of Omaha feel confident the Nebraska legislature will pass the bill prohibiting Omaha banks from writing insurance. The bill has passed the real opposition and has been recommended for favorable vote by the senate committee.

ACTION TAKEN IN MINNESOTA

ST. PAUL, March 15.—A quiet but vigorous effort is being made here to

Chief Speaker



WALTER D. WILLIAMS

W. D. Williams of Rockford, Ill., western manager of the Security of Connecticut and president of the Western Underwriters Association, will be the chief speaker at the 20th anniversary banquet of the Cook County Field Club in Chicago next Monday evening.

Drilling Ordinance Upheld

OKLAHOMA CITY, March 15.—An opinion handed down by the Oklahoma supreme court upholds the validity of the Oklahoma City ordinance prohibiting drilling of gas or oil wells within 300 feet of the outer line of the U-7 zone. The ordinance prohibiting drilling on less than 2½-acre tracts was also upheld.

Is Federal Control Nearer?

Assumption of All Banking Functions by the National Government Raises the Question as to Whether It May Touch Insurance

By C. M. CARTWRIGHT

Events have moved swiftly and with startling vividness during the last few days so that one's viewpoint has to be changed overnight. Conditions develop with stunning celerity.

Those who are interested in insurance cannot help but apply some of the movements taken by the federal government during the last 10 days or so to their own business. Insurance, like banking, takes on a national aspect and enters into the lives and affairs of so many people that it is regarded as one of the fundamental services of mankind. In fact, it is the very basis of credit and protection. Business would be paralyzed without it and men in their private affairs would live in fear for their dependents. There are no other services or factors in American life that are so intertwined with progress and safety as banking and insurance.

Lack of Confidence Manifest

The banking structure of the nation tumbled because of lack of confidence. We found that banks had departed far from the old principles applying to that institution. Bankers did not consider their depositors as the old time banking men did in the past. As President Roosevelt pointed out, they used the money of depositors for speculative purposes.

President Roosevelt therefore courageously, with grim determination and vision, assumed control of banking activities and declared the moratorium.

Now the federal government is giving orders as to when and how banks shall reopen. The federal reserve system has extended itself beyond the domain of the national banks because state banks become part of the federal system and the federal government is passing on the condition of the state banks before they are being licensed and become a part of the federal reserve system.

It is stated from Washington that if it is found necessary the Reconstruction Finance Corporation may become a stockholder in some banks if their condition warrants restoration. This governmental device of a financial character therefore may extend itself into the local banking field, both with regard to national and state banks. If, therefore, the R. F. C. does become a stockholder or does give its further support to banks naturally it is going to have much to say. If the federal government becomes a conservator of banks it will appoint its own men to that work. For the time being, federal control is uppermost in the minds of the people. The federal government evidently will not take state audits of state banks without careful check.

Will Be More Rigid Supervision

Now that the national government has reached its mighty arm so far from Washington and has assumed great responsibility, it might be said for banks that are reopening there is every reason to believe that there will be more rigid and exacting supervision from the national capital. The Treasury department is separating the sheep from the goats. Some banks were allowed to open at once. Others are being licensed. Some evidently are being opened on a percentage basis and a large number will not be allowed to open.

The confidence of the people has been greatly restored in banking circles because they can now determine which banks are to be relied on. This confidence will have a business stimulating effect. With the return of faith in the banks, these institutions themselves will be able to extend greater credit and people at large will not be so fearful to make commitments.

Application to Insurance

Now all this has been done in the banking field. What about insurance? It might be said that until less than a year ago people had the utmost faith in legal reserve life insurance. It was regarded as impregnable. The statement had been often made that no policyholder of a legal reserve company had lost a cent for upwards of 40 years or so. Now we have had legal reserve failures and a number of companies have had to delay making loans and granting surrenders because of the avalanche. Even at that, legal reserve life insurance has stood up remarkably well. President Roosevelt desires to drive the speculators out of the banking field. If this is done in banking then the same policy should be pursued in insurance. We are not free from the high stepping and loud talking exploiters, the mercenary and commercialized plunderers, the men who are out for themselves and no one else, who care not a whit for policyholders but are extracting everything they can for their own benefit. The people at large will demand that there be the same separation in insurance as there is in banking and that standards of solvency and quality of management be set. If this is not done

(CONTINUED ON PAGE 21)

Map Shows Quake Hazard



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No Sentiment at Hartford for National Control Seen

HARTFORD, March 15.—So far as Hartford company officials are concerned there is no sentiment for federal control of insurance. In fact any measure looking toward national regulation would be strongly opposed. The sentiment for state sovereignty is strong in New England. It is recognized that in an emergency, as for instance in banking, some dictatorial power had to be used in Washington. However, Hartford insurance interests do not feel that such an emergency is at hand so far as insurance is concerned. Many officials here see the doom of state banking but there is a wide difference of opinion even as to whether this is necessary or not. They feel that state insurance departments are quite capable of supervising insurance regardless of lack of uniformity.

Oust County Agent at Toledo

TOLEDO, O., March 15.—W. A. Rundell has been removed as county insurance agent by the county commissioners, following an exchange of charges between Mr. Rundell, a Republican, and George Lathrop, president of the board, a Democrat.

The commissioners will turn the handling of insurance over to a new agent but are making a survey to find whether any of the buildings are over or under-insured, and to get suggestions as to approximately 10 reliable companies to carry the insurance, totaling \$3,127,170, now divided among more than 100.

George Coleman's New Post

George H. Coleman has been appointed district manager of the principal district of Chicago for the Atlas and will operate in conjunction with the western branch under Manager E. M. Schoen, making headquarters in the western office. Mr. Coleman served in the Cook county, Ill., field for the Royal for 20 years. He was for 10 years Chicago manager for the America Fore and later for the Central of Baltimore.

Monarch Fire's Statement

President Ralph Rawlings of the Monarch Fire of Cleveland has issued its annual statement showing assets \$3,747,270 of which \$2,390,301 are stocks and bonds, \$280,371 mortgage loans, \$457,698 real estate, \$193,108 cash. Its premium reserve is \$1,773,830, contingency reserve \$75,000, capital \$1,000,000, net surplus \$503,836.

Globe & Rutgers

FIRE INSURANCE COMPANY

111 William Street, New York City

Thirty-Fourth Annual Statement—December 31, 1932

ASSETS

Cash in banks and office.....	\$ 3,078,808.49
Bonds and Mortgages.....	121,700.00
*Bonds and Stocks.....	61,322,585.00
Premiums in course of collection.....	3,787,910.72
Interest Accrued	200,070.95
All other assets.....	3,389,054.90
	<hr/>
	\$71,900,130.06

LIABILITIES

Unearned Premiums	\$19,100,961.26
Losses in course of adjustment.....	8,826,406.00
Commissions, Taxes, Loans Payable and other items	12,514,563.22
Contingency Reserve	22,000,000.00
Capital	2,000,000.00
Net Surplus	7,458,199.58
	<hr/>
	\$71,900,130.06

*Valuations on Insurance Commissioners' Basis.

DIRECTORS

E. C. Jameson

Sumner Ballard
H. Edw. Bilkey
Louis V. Bright
Howard K. Brown

Lyman Candee
Charles A. Dana
J. S. Frelinghuysen
C. M. Jameson

David Mahany
W. H. Paulison
R. K. Prentice
Gustavus Remak, Jr.

Alfred M. Rogers
John N. Stearns
A. H. Swayne
Henry S. Thompson

"Losses Paid Since Organization" \$283,146,049.32

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R. F. C. SEEKS TRANSFER

A number of requests have been received by fire companies of late for the transfer of the mortgage interest from various banks to the Reconstruction Finance Corporation, evidencing that the latter body is safeguarding its loans to institutions in every possible way.

No Sentiment at Hartford for National Control Seen

HARTFORD, March 15.—So far as Hartford company officials are concerned there is no sentiment for federal control of insurance. In fact any measure looking toward national regulation would be strongly opposed. The sentiment for state sovereignty is strong in New England. It is recognized that in an emergency, as for instance in banking, some dictatorial power had to be used in Washington. However, Hartford insurance interests do not feel that such an emergency is at hand so far as insurance is concerned. Many officials here see the doom of state banking but there is a wide difference of opinion even as to whether this is necessary or not. They feel that state insurance departments are quite capable of supervising insurance regardless of lack of uniformity.

Oust County Agent at Toledo

TOLEDO, O., March 15.—W. A. Rundell has been removed as county insurance agent by the county commissioners, following an exchange of charges between Mr. Rundell, a Republican, and George Lathrop, president of the board, a Democrat.

The commissioners will turn the handling of insurance over to a new agent but are making a survey to find whether any of the buildings are over or under-insured, and to get suggestions as to approximately 10 reliable companies to carry the insurance, totaling \$3,127,170, now divided among more than 100.

George Coleman's New Post

George H. Coleman has been appointed district manager of the principal district of Chicago for the Atlas and will operate in conjunction with the western branch under Manager E. M. Schoen, making headquarters in the western office. Mr. Coleman served in the Cook county, Ill., field for the Royal for 20 years. He was for 10 years Chicago manager for the America Fore and later for the Central of Baltimore.

Monarch Fire's Statement

President Ralph Rawlings of the Monarch Fire of Cleveland has issued its annual statement showing assets \$3,747,270 of which \$2,390,301 are stocks and bonds, \$280,371 mortgage loans, \$457,698 real estate, \$193,108 cash. Its premium reserve is \$1,773,830, contingency reserve \$75,000, capital \$1,000,000, net surplus \$503,836.

Globe & Rutgers

FIRE INSURANCE COMPANY

111 William Street, New York City

Thirty-Fourth Annual Statement—December 31, 1932

ASSETS

Cash in banks and office.....	\$ 3,078,808.49
Bonds and Mortgages.....	121,700.00
*Bonds and Stocks.....	61,322,585.00
Premiums in course of collection.....	3,787,910.72
Interest Accrued	200,070.95
All other assets.....	3,389,054.90
	<hr/>
	\$71,900,130.06

LIABILITIES

Unearned Premiums	\$19,100,961.26
Losses in course of adjustment.....	8,826,406.00
Commissions, Taxes, Loans Payable and other items	12,514,563.22
Contingency Reserve	22,000,000.00
Capital	2,000,000.00
Net Surplus	7,458,199.58
	<hr/>
	\$71,900,130.06

*Valuations on Insurance Commissioners' Basis.

DIRECTORS

E. C. Jameson

Sumner Ballard
H. Edw. Bilkey
Louis V. Bright
Howard K. Brown

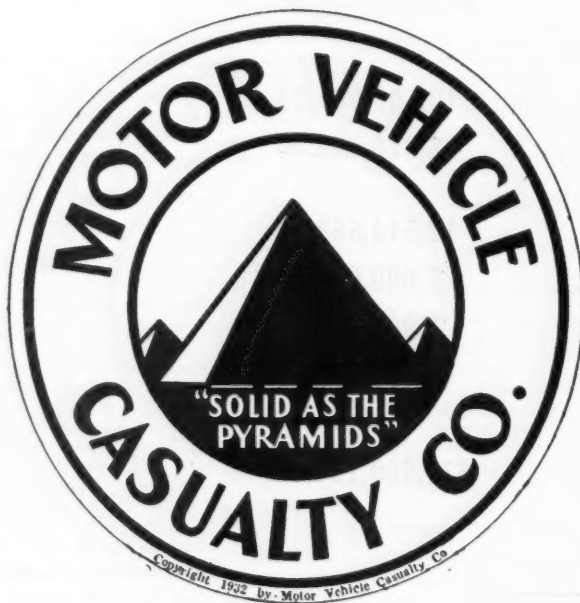
Lyman Candee
Charles A. Dana
J. S. Frelinghuysen
C. M. Jameson

David Mahany
W. H. Paulison
R. K. Prentice
Gustavus Remak, Jr.

Alfred M. Rogers
John N. Stearns
A. H. Swayne
Henry S. Thompson

"Losses Paid Since Organization" \$283,146,049.32

For 18 years
just plain
old fashioned
honesty
to
policyholders,
agents,
brokers.



Home Office

223 W. Jackson Blvd., Chicago, Illinois
A STOCK AUTOMOBILE COMPANY

Under same management for the past 18 years. Organized in 1914 as Motor Vehicle Underwriters, changed to Motor Vehicle Casualty Company in 1930.

Claims Greatly Reduced in Bank Moratorium Period

PEOPLE AFRAID OF RESULTS

Public at Large Was More Sober
Minded and Was Not Taking
Chances

Whether it was a mere coincidence or not, loss claims of all kinds were lessened during the moratorium period. This was true with fire, accident and casualty. Perhaps the people viewed the future with great uncertainty and hence were in doubt as to whether they could collect, at least for some time. At any rate soberness seemed to have overwhelmed the minds of people and they were not so anxious to gouge insurance companies in order to get ready money.

The psychology of the situation was interesting. Perhaps people feared to start fires thinking they might burn the roof off their heads without getting financial return or feeling that perhaps they could not get an adjustment or payment for some time. Undoubtedly there was less gasoline purchased because the people did not have the ready cash. This tended to lessen automobile traffic. People evidently became more sober-minded and were brought to their senses by the gravity of the financial situation. This tended to make them stop, look and listen and undoubtedly caused them to feel that it might not be such an easy matter to get money from the insurance companies.

The publicity given the moratorium and the fact that emergency life insurance legislation was being passed in the various states had a sobering effect.

New Insurance Code Bill Presented in Pennsylvania

PHILADELPHIA, March 15.—Insurance companies are prohibited from investing any part of their surplus in non-dividend paying stocks by the new insurance code introduced in the Pennsylvania legislature after two years of study by the insurance department and the attorney general's office. The bulk of the new code is the linking together of present laws.

Among the changes are: Those including title insurance and mortgage guaranty companies within the scope of the insurance department supervision; requiring self-insuring employers under the workmen's compensation law to maintain compensation loss reserves in the manner now required of casualty companies; prohibiting insurance companies from investing in real estate for more than 60 percent of the value.

Hits at Excepted Cities

COLUMBUS, March 15.—A bill which provides that there shall be no discrimination in the commissions paid for fire insurance in Ohio has been reported for passage by the senate insurance committee. The bill is aimed at the commissions paid to agents in the excepted cities of Cleveland and Cincinnati.

The senate committee has also reported out a bill which requires that all rates promulgated by the Ohio Inspection Bureau must be filed with and approved by the Ohio department within 30 days. It is asserted that passage of this bill would require the department to put on a large staff of experts at a heavy expense to check up on the rates.

The committee later agreed to hold a hearing on the two bills March 14, when insurance men objected that they had not been given an opportunity to be heard.

The house has passed a bill for deduction in the fire marshal tax of reinsurance premiums paid.

Illinois Local Agent Is Stricken by Death



J. A. GIBERSON

J. A. Giberson of Alton, Ill., one of the best known local agents in the country, former president and secretary of the Illinois Association of Insurance Agents, former regional vice-president and former chairman of the membership and later the finance committee of the National Association of Insurance Agents, died Tuesday morning. Mr. Giberson had been in ill health for some time and was afflicted with heart trouble. He was one of the most picturesque characters in the business. He frequently spoke at association meetings with his emphatic manner and always attracted attention. Mr. Giberson developed a fine agency, well systematized and was very conscientious in his operations. He was born in 1882 at Elsah, Ill., and entered the insurance business in 1908 at Alton.

His son, Dudley, was called home from the University of Pennsylvania a few weeks ago to look after the agency in view of his father's illness.

Payment of Farm Losses to Be Deferred for 60 Days

The National Board's request that payment of losses be deferred for the full period under the law will be observed in the farm writing field, as well as in other quarters. Farm losses, on the whole, in recent years have not been settled as hastily as losses on recording business. However, the competitive spirit has entered into farm loss settlements to some extent. Member companies of the Farm Underwriters Association have not in recent years been paying losses in excess of \$250, in Kentucky and Tennessee until 60 days after the date of the fire. In those states, the farm companies will now defer paying until 60 days after the filing of proof and this practice will be followed in connection with all losses, rather than just for those above \$250.

Cut California Budget

SAN FRANCISCO, March 15.—Recommending that the budget allotment of the division of insurance be reduced to equal expected revenues for the next biennium, the senate fact-finding committee points out that while but a few years ago the division collected considerably more than it required, it now requires considerably more than it collects. For 1923-1925, expenses were \$128,362 and revenues \$404,874 while 1929-1931 showed expenses of \$212,656 with revenues of \$453,262. The proposed budget 1933-35 allots \$359,120 for the support of the division while normal revenues are predicted to amount only to \$165,900.

Earthquake Writings in California Are Reviewed

In 1931 the net earthquake insurance premiums written in California amounted to \$2,031,206, while the total net premiums written in the entire country amounted to \$2,185,065.

Following is a record of the earthquake writings in California by companies, whose premiums in 1931 exceeded \$6,000:

Aetna, \$21,669; Agricultural, \$10,659; American, \$17,643; American Eagle, \$12,123; Atlas, \$23,079; British America, \$17,399; California, \$19,432; Camden, \$11,400; Commercial Union, \$6,961; Columbia, \$7,238; Continental, \$42,917; Connecticut, \$10,670.

Other companies are: Dubuque, \$17,969; Eagle of N. J., \$25,235; Eagle, Star & British Dominions, \$17,167; Eureka-Security, \$13,996; Fidelity-Phoenix, \$51,465; Fire Association, \$29,769; Fireman's Fund, \$36,912; Firemen's, \$23,355; First National, \$19,202; Franklin National, \$6,118.

The list also includes: General of Seattle, \$7,086; Glens Falls, \$9,335; Globe & Rutgers, \$68,257; Great American, \$28,007; Hamilton, \$51,757; Hanover, \$8,520; Harmonia, \$7,133; Hartford, \$54,523; Home, \$62,678; Home F. & M., \$9,221; North America, \$18,582; State of Pennsylvania, \$9,923.

Among the other leaders were: L. & L. & G., \$57,781; Lincoln, \$7,335; London, \$12,829; London & Lancashire, \$16,123; Merchants & Manufacturers, \$8,320; Merchants of New York, \$21,982; Millers National, \$11,931; National of Hartford, \$41,484; National Liberty, \$19,324; National Union, \$18,619; Newark, \$14,172; Niagara, \$31,660; New York Underwriters, \$12,073.

Still others are: Northern of London, \$15,106; North British & Mercantile, \$25,445; Northern of New York, \$10,781; North River, \$64,870; North Star, \$9,878; Northwestern National, \$7,760; Norwich Union, \$39,802; Occidental, \$7,846; Pacific, \$7,099; Pacific American Fire, \$30,481; Pacific National, \$17,828; Phoenix of London, \$38,198; Phoenix of Hartford, \$42,747; Providence Washington, \$11,044.

The list also includes: Queen, \$32,393; Richmond, \$9,912; Rossia, \$66,173; Royal, \$45,350; Royal Exchange, \$12,336; Scottish Union, \$9,723; Security of New Haven, \$9,367; Springfield, \$10,121; Star, \$10,595; St. Paul, \$24,092; Sun, \$17,213; Travelers, \$9,793; United Firemen's, \$6,166; United States Merchants & Shippers, \$28,528; United States Fire, \$60,793; Westchester, \$15,142; Western of Toronto, \$23,671.

Farm Association to Allow Credit for Spark Arresters

The Farm Underwriters Association has decided to allow a credit in the rate for installation of approved spark arresters on shingle roof dwellings and for non-combustible roofs of slate, tile and metal. The credit is 5 cents a hundred for one year policies, 10 cents for three year policies and 15 cents for five year. The credit has not been published in any state, but it will be published in connection with other material sent out by the inspection bureaus.

In some states, a credit heretofore has been allowed for non-combustible roofs. Therefore, in those states the only change will be the allowance of the credit for the installation of approved spark arresters on shingle roof dwellings.

Maryland Emergency Bill Drafted by Insurance Men

BALTIMORE, March 15.—Commissioner Walsh of Maryland will be given dictatorial powers to make rules and regulations for any emergencies which may arise within the next two years under a bill which has been introduced in the state assembly.

The bill was drafted by a committee following a general meeting at which representatives of all branches of insurance companies operating in Maryland were present. The commissioner would have power to suspend existing laws and make new laws, rules and regulations covering any condition which may arise between the adjournment of the assembly this month and its next meeting in 1935. Should conditions in the meanwhile become again stabilized the

emergency bill may be suspended by action of Governor Ritchie.

Deputy Commissioner H. A. Joyce said the bill was drawn simply as a precautionary measure so as to avoid any necessity for calling a special session of the legislature during the next two years. The bill covers all branches of insurance.

Paul M. Burnett, president of the Mutual Life of Baltimore, was named chairman of the committee which drew up the bill and includes A. J. Lilly, Maryland Casualty, J. K. Bartlett, Jr., and J. M. McFall, United States Fidelity & Guaranty; J. S. New, representing life insurance interests; D. H. Rose,

president Maryland Life, Frank A. Gantert, Fidelity & Guaranty Fire, C. H. Roloson, president Central Fire, J. Arthur Nelson, president New Amsterdam Casualty, E. King Wilson, vice-president Fidelity & Deposit; Albert Burns, secretary Baltimore Life; Richard Dallam of Belair, president Mutual Fire of Harford County and of the State Association of Mutual Fire Insurance Companies, and H. A. Joyce, deputy commissioner.

Arkansas Deputy Named

U. A. Gentry, the new Arkansas insurance commissioner, has appointed

O. W. Petway assistant commissioner. He was until recently with a lumber company at Warren.

Ed. Trice, an attorney at Lake Village, is appointed fire marshal to succeed J. L. Carter.

Ardmore, Okla., Meeting April 7

The regional meeting of the Oklahoma Association of Insurers at Ardmore, Okla., has been advanced from April 14 to April 7. A program of special interest is being arranged by Ardmore agents under supervision of Ralph Tate, executive committeeman.

SAVING WEAR AND TEAR ON YOUR WASTE BASKET



Agricultural Routine wastes no time!

Sales and collections . . . well do we appreciate that these two interests require every minute you can give them. Accordingly, our routine is so arranged that we do not take up our agents' time . . . except where their interests are concerned.

Talk to Agricultural agents and you'll hear these recommendations: No useless correspondence to fill waste baskets . . . Number of time-consuming reports kept down to a minimum . . . Agent's questions answered immediately . . . Cooperative assistance of representatives freely offered.

In all our relations with agents, we follow one definite rule—first understand the question, then settle the matter *fairly* and as *quickly* as possible. Experience—80 years—has taught us to grasp

problems promptly. And that same experience has taught us that we do a better job for the agent and policyholder when we eliminate every possible delay.

The Agricultural has real confidence in the American Agency System. . . Perhaps that feeling comes because we are fortunate in having an unusually loyal agency organization. At the same time it is our belief that we could not hold that loyalty except for our sincere efforts to give rapid, dependable and efficient service.

If you are a leading agency in your territory, we seek an opportunity to discuss the background of this long established company—to describe our present policies and practices which are so satisfactory to other leading agencies here and abroad.

Agricultural
Insurance Company
of Watertown, N.Y.

offering all types of property insurance for industry or the home.

Eagle Star

and
British Dominions
Insurance Company Limited
of London, England

United States Branch Statement
December 31, 1932

ASSETS

United States and Other Government	
Bonds	\$ 831,315.00
State, Municipal and Railroad Bonds	3,914,120.00
Stocks	336,201.00
Cash in Bank	296,095.42
Accrued Interest	73,556.40
Agents and other balances, all subsequent to October 1	496,347.85
Total	\$5,947,635.67

LIABILITIES

Reserve for Unearned Premiums	\$1,843,737.05
Reserve for Unpaid Losses	584,870.20
Reserve for State and Federal Taxes and Other Liabilities	127,679.61
Contingency Reserve	1,186,805.00
Total Liabilities	\$3,743,091.86
Statutory Deposit	\$ 400,000.00
Surplus	1,804,543.81
Surplus to Policyholders	2,204,543.81
Total	\$5,947,635.67

GEO. W. BLOSSOM U. S. MANAGERS
WM. A. BLODGETT O. F. WALLIN

HEAD OFFICE
90 John St.
New York

PACIFIC COAST DEPT.
114 Sansome St.
San Francisco

WESTERN DEPARTMENT: 175 W. Jackson Boulevard
CHICAGO
HARRY CASPER, Manager

A Strong, Aggressive Fire Insurance Company

Underwriting Principles in Earthquake Line Set Forth

In view of the interest aroused in earthquakes and earthquake insurance, it is interesting to review some of the underwriting principles and regulations that have been developed in connection with this coverage. A valuable file on the subject is in the possession of A. B. Roome, joint western and eastern manager for the Republic of Dallas. A few years ago, when Mr. Roome was executive vice-president of the Independence Fire, he made an exhaustive study of the earthquake question as it relates to insurance and drew up a set of instructions, reflecting his conclusions.

At that time, he was convinced that the next major disturbance would involve Los Angeles unless the strain were relieved by a minor disturbance. Mr. Roome zoned the state of California to keep close track of the liability likely to be subject to one disturbance. He required that the zone number for the locality be stamped on the daily report furnished each agency to serve as an aid in classifying the business. Some companies merely stamped the county symbol on the daily report, but Mr. Roome felt that the disturbance might cross county lines and he was interested in watching his liability in territories, embracing several counties, that might be affected at one time.

Zones Are Given

For instance, zone 1 consisted of the counties Del Norte, Humboldt, Lake and Mendocino. Zone 2: Alameda, Contra Costa, Sonoma, Napa, Santa Clara, San Benito, Solana. Zone 3: San Francisco, Marin, San Mateo, and Santa Cruz. Zone 4: Monterey and San Luis Obispo.

In his instructions, Mr. Roome said that an attempt would not be made to fix the total net line by districts, expecting that the line limit set forth in the instructions would keep the liability down to reasonable limits.

The instructions set forth that not over \$200,000 total net liability should be assumed in San Francisco and Los Angeles. This amount of liability was not expected to produce over \$80,000 of loss in any catastrophe, provided that no fire ensued. He said that 80 percent of earthquake insurance should be written to cover in Los Angeles and the surrounding area and that liability must be watched, since Los Angeles was in an active region. Next to Los Angeles, he said that San Francisco required special care. Earthquake insurance could be written freely in Sacramento and San Joaquin valleys and in districts remote from known faults. He emphasized that the writing of earthquake insurance in Los Angeles should be discouraged.

No Reinsurance Written

Instructions were not to write reinsurance for other companies. Where the instructions called for limiting the earthquake liability to a certain percentage of the fire line, unless reinsurance could be secured for the excess, it was necessary to reduce the fire line to the basis of the earthquake coverage acceptable.

At that time, Mr. Roome desired to have all of the earned premium kept in a special reserve fund for five years to take care of possible catastrophe.

The rules set forth that no earthquake insurance was to be written unless at least an equal fire line was obtained.

Prohibited sections included territory immediately adjacent to known faults along which seismological investigation indicates impending activity.

In limited line sections, he then expressed the belief that in the future the company might write up to 25 percent of the fire line, but for the present desired to avoid such writings entirely. Limited line sections included made ground, such as filled in sections of San

Francisco, where the foundations do not extend through the fill. Also where bed rock is known to be thousands of feet below the surface as in the Imperial Valley.

Weak Construction

Another limited line section is where weak construction prevails, as in the northern part of the congested value district in Los Angeles. Congested areas should be avoided as far as possible except in the least hazardous zones.

In all sections except those mentioned, on classes eligible for the maximum lines, permission was granted to write the earthquake line equal to the fire line. The San Joaquin and Sacramento Valleys were declared to be the least hazardous districts.

Prohibited classes included buildings of faulty design and material of poor construction, such as those of excessive area, particularly as to roof span, those of mixed construction, part brick and concrete, or frame and tile, or brick veneer, etc., or class B buildings over three stories high. He pointed out that the higher such buildings are, the worse the faults are emphasized.

Several limited line classes were set up. On one such class the earthquake line was limited to 75 percent of the normal fire line. This included class B buildings, i. e., reinforced concrete buildings (monolith type-fire resistive construction) not over three stories high (decline higher buildings).

Class C Buildings

On another class the earthquake line was limited to 50 percent of the normal fire line. This included class C buildings, i. e., ordinary joisted or mill construction (brick, concrete or stone) particularly those more than one story high.

On another class the company preferred to decline the earthquake coverage entirely, but would take up to 15 percent of the fire line. This included buildings of hollow tile, concrete blocks, etc.

Then there were classes on which the earthquake line might equal the unsprinklered fire line. These included frame dwellings, not of excessive height or area; class A buildings (steel frame, fire-proof buildings, preferably with reinforced concrete partitions and curtain wall on solid foundation).

Another class on which the earthquake line could be written to equal the unsprinklered fire line was frame buildings of good construction, not over three stories in height and not more than 3,000 square feet ground floor area.

Mr. Roome laid down the rule that the total earthquake liability in any city was not to exceed 50 percent of the total fire liability in that city, thus confining the earthquake insurance to risks which must be so covered in order for the company to obtain the fire line.

Probable Loss Shown

Mr. Roome made up an exhibit, showing the approximate loss which may be anticipated on the various classes of construction. On farm dwellings, the figure was 10-15 percent; tile and stucco dwellings, 20-25 percent; class A buildings, 20 percent; class B, 30-40 percent, and class C, 45-50 percent.

The minimum coinsurance requirement was 50 percent on risks in class 1 and 70 percent on all others.

Miscellaneous Notes

The Merchants & Manufacturers Fire has been licensed in Manitoba, Can.

F. D. Wallin, superintendent of the automobile department of the Phoenix Assurance, addressed the San Francisco Blue Goose March 13, answering the query "What are you going to do about it?"

AS SEEN FROM CHICAGO

BREAK UP ARSON RING

An arson racket, in which the same load of partly burned furniture and clothing was planted in numerous homes to bolster up claims for insurance on fake fires, has been broken up in Chicago with the indictment of 40 persons, the result of an investigation by the Chicago office of the state fire marshal. The ring leader is said to have been an insurance broker who made arrangements for fires with various individuals after placing insurance on household goods. Enough of a fire would be set to char floor and baseboard. The fire department would not be called but a claim for insurance would be filed the next day.

The large number of these claims aroused suspicion of the insurance companies. Deputy fire marshals got so hot on the trail of the ring leaders that they were able finally to catch them in the act. Others who have had small losses of this character are being checked up and more indictments may follow.

LIGHTNER TO GIVE TALKS

Following the lecture of Vice-president M. P. Cornelius of the Continental Casualty in its series of lectures in the Chicago Board auditorium Tuesday evening, there will be two remaining lectures, one next Tuesday night by Assistant Secretary D. B. Lightner, who is in charge of the home office casualty underwriting. He will speak on "Burglary and Compensation Insurance." On March 28 he will speak on "Automobile and Miscellaneous Liability."

MARTIN ADDRESSES EXAMINERS

The Fire Insurance Examiners Association of Chicago will be addressed March 16 by W. G. Martin, agency su-

perintendent America Fore in Chicago, on "Reporting Forms of Insurance."

EARLS WITH FIREMAN'S FUND

Thomas A. Earls, son of Will A. Earls of the Earls-Blain agency of Cincinnati, and grandson of Thomas E. Gallagher, retired western general agent for the Aetna Fire, has joined the western marine department of the Fireman's Fund. He has been connected with the Marine Office of America, first in Chicago and for the last six months in New York. He is a graduate of Holy Cross college.

FAIR REINSURANCE PROBLEM

It now appears there is no chance to get open reinsurance cover in London on insurance on exhibits in the forthcoming Century of Progress fair in Chicago. The outcome of efforts to form a pool to write this business therefore is problematical. It may, however, be possible for companies to get reinsurance abroad on individual risks in the fair. It is said, however, London Lloyds undoubtedly will demand that all information on a specific risk be sent overseas for special consideration there. Very few offices in the United States have open reinsurance facilities and even these, it is understood, are requiring submission of individual risks to London.

REZONING IS RECOMMENDED

In addition to recommending sharply increased automobile fire and theft rates for Chicago, the western advisory committee of the National Automobile Underwriters Association favors rezoning the Chicago territory and promulgating various penalty policies. The proposal is to place the city of Chicago proper in zone 1, the strictly suburban

territory in zone 2 and the towns skirting the real suburbs in zone 3. The proposal was made to apply a three-fourths loss clause in the city and also have a deductible clause. The governing committee of the automobile association meets in New York March 22-23, and will consider these recommendations among other things.

CHAVANNE FLIES TO COAST

John J. Chavanne, chief engineer for the Eliel & Loeb agency of Chicago, went to Los Angeles, traveling part of the distance by plane. He was particularly interested in the effect of the earthquake on the retail branch stores of Sears, Roebuck & Co. in Los Angeles, Long Beach and Pasadena, Eliel & Loeb being in charge of the insurance for that firm. Early advices were that the Long Beach store was pretty much demolished while in Los Angeles a sprinkler tank fell off the roof, causing considerable damage. Sears, Roebuck & Co. carried earthquake insurance on the stores in the vicinity owned by them.

AUTO SUPERINTENDENTS ELECT

New officers were elected at the annual meeting of the Automobile Insurance Superintendents Club of Chicago on Monday. A. M. Wagner, Hanover, was chosen president, the other officers elected being: Vice-president, C. O. Goodwin, Great American; treasurer, E. W. Prodehl, Fred S. James & Co.; secretary, W. H. Cuthbertson, North America. The executive committee consists of the officers and L. L. Sanders, National of Hartford; J. E. Guy, America Fore, and R. E. Dixon, Fire Association, the retiring president.

DINNER FOR PALMER

Superintendent Palmer of Illinois will be guest of honor at a special dinner meeting of the Chicago Life Insurance Lawyers Club March 20 at the University Club of Chicago. Several insurance

executives and possibly other representatives of the insurance department will be present. Four life insurance presidents will make five minute talks. The practice of thus honoring the insurance superintendent was initiated last year with a dinner for Harry Hanson.

Howard Potter of Marsh & McLennan is on a supervisory trip to branches on the west coast.

Factory Mutual Losses

A few earthquake sprinkler leakage losses to contents were reported to some factory mutuals. Most of these companies do not issue earthquake insurance on the coast. Thus where the sprinkler system was ruptured the damage to contents only was covered and not the damage to the sprinkler system itself.

In Long Beach, the sprinkler systems in some of the properties insured in the factory mutuals had to be drained because the city water mains were damaged. This is regarded as only a temporary condition.

Sturhahn Views Disaster

Carl F. Sturhahn, president of the Russia, was in Pasadena at the time of the earthquake. His report to the home office was the loss will not be as large as was first anticipated. Mr. Sturhahn made an immediate inspection of the stricken territory. While he views the disaster as a "calamity" he does not feel that it can be construed in any sense as a major catastrophe except for the loss of life.

Upper Peninsula Board Elects

N. C. Bartholomew, Commercial Insurance Agency, Iron Mountain, Mich., was named president of the Dickinson County Insurance Association, succeeding J. C. Wickstrom of Norway, at the annual meeting. C. J. Tramontin is vice-president; R. J. Bath, secretary-treasurer.

NATIONAL FIRE GROUP

HARTFORD, CONN.

F. D. LAYTON, President

S. T. MAXWELL, Vice-President

STATEMENT DECEMBER 31, 1932, TO CONNECTICUT INSURANCE DEPARTMENT

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

ASSETS	
Bonds and Stocks.....	\$35,658,386.61
Mortgage Loans	893,252.71
Interest Accrued	277,154.73
Real Estate Unencumbered.....	949,044.46
Cash on Hand and in Banks.....	3,923,827.87
Premiums in Course of Collection.....	1,903,151.85
All Other Assets.....	74,590.54
Total Assets	\$43,679,408.77

LIABILITIES	
Capital Stock	\$ 5,000,000.00
Reserve for Unearned Premiums.....	16,217,954.26
Reserve for Losses.....	2,228,267.70
Reserve for Taxes and Other Expenses.....	939,468.57
Reserve for Dividends.....	250,000.00
Reserve for Contingencies (Special).....	6,549,617.61
Reserve for Contingencies (General).....	1,700,000.00
Net Surplus	10,794,100.63
Total Liabilities	\$43,679,408.77

SURPLUS AVAILABLE FOR PROTECTION OF POLICYHOLDERS, \$17,494,100.63

STATEMENT DECEMBER 31, 1932, TO THE CONNECTICUT AND LOUISIANA INSURANCE DEPARTMENTS

MECHANICS & TRADERS INSURANCE COMPANY of New Orleans, La.

Executive and Administrative Office, Hartford, Conn.

ASSETS	
Bonds and Stocks.....	\$3,794,637.83
Interest Accrued	19,552.10
Real Estate Unencumbered.....	23,500.00
Cash on Hand and in Banks.....	667,456.45
Premiums in Course of Collection.....	208,707.11
Total Assets	\$4,713,853.49
LIABILITIES	
Capital Stock	\$1,000,000.00
Reserve for Unearned Premiums.....	1,204,752.41
Reserve for Losses.....	165,528.44
Reserve for Taxes and Other Expenses.....	72,400.00
Reserve for Contingencies.....	827,867.63
Net Surplus	1,443,305.01
Total Liabilities	\$4,713,853.49

SURPLUS AVAILABLE FOR PROTECTION OF POLICYHOLDERS \$2,443,305.01

STATEMENT DECEMBER 31, 1932, TO THE NEW YORK INSURANCE DEPARTMENT

TRANSCONTINENTAL INSURANCE COMPANY New York, N. Y.

Executive and Administrative Office, Hartford, Conn.

ASSETS	
Bonds and Stocks.....	\$2,447,562.85
Interest Accrued	10,300.50
Cash on Hand and in Banks.....	598,142.60
Premiums in Course of Collection.....	238,764.39
All Other Assets.....	4,421.54
Total Assets	\$3,299,191.88
LIABILITIES	
Capital Stock	\$1,000,000.00
Reserve for Unearned Premiums.....	561,147.87
Reserve for Losses.....	77,136.39
Reserve for Taxes and Other Expenses.....	31,400.00
Reserve for Contingencies.....	548,744.75
Net Surplus	1,080,762.87
Total Liabilities	\$3,299,191.88

SURPLUS AVAILABLE FOR PROTECTION OF POLICYHOLDERS \$2,980,762.87

STATEMENT DECEMBER 31, 1932, TO THE NEW YORK INSURANCE DEPARTMENT

FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

Executive and Administrative Office, Hartford, Conn.

ASSETS	
Bonds and Stocks.....	\$2,505,371.95
Interest Accrued	15,362.12
Cash on Hand and in Banks.....	494,398.71
Premiums in Course of Collection.....	140,097.30
All Other Assets.....	5,127.23
Total Assets	\$3,160,357.31
LIABILITIES	
Capital Stock	\$1,000,000.00
Reserve for Unearned Premiums.....	561,147.87
Reserve for Losses.....	77,136.39
Reserve for Taxes and Other Expenses.....	25,600.00
Reserve for Contingencies.....	584,691.75
Net Surplus	911,781.30
Total Liabilities	\$3,160,357.31

SURPLUS AVAILABLE FOR PROTECTION OF POLICYHOLDERS \$1,911,781.30

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Deviation Clause Offered Protection During Holiday

MARINE CONTRACTS AFFECTED

Merchandise Accumulated on Piers
Waiting for Drafts—Underwriters
Received Inquiries on This Feature

NEW YORK, March 15.—While the national banking moratorium was in effect and drafts were not being honored, marine companies received many inquiries as to the status of coverage on shipments delayed at the discharge point waiting for the draft that accompanies the document. Much merchandise piled up on piers and wharves waiting for drafts.

This merchandise was still in the custody of the steamship companies, since it hadn't been receipted for by the consignee.

The inquirers were informed that coverage during the delay was provided for under the deviation clause of the marine policy, which extends protection if there is unexpected, unusual or unforeseen delay not caused by insured perils. Under the warehouse to warehouse clause, insurance ceased because of the delay, but the cessation did not become effective inasmuch as the deviation clause immediately became operative.

So long as there was detention on the piers, many hazards existed, such as theft and pilferage.

Companies Sued for \$150,000 by Janesville, Wis., Agent

JANESVILLE, WIS., March 15.—C. P. Beers, for many years a local agent here, has started suit for \$150,000 damages against a number of insurance companies and field men. Papers have been filed in circuit court but the cases will likely be transferred to the federal court, probably in Madison, Wis.

Neither complaint nor the answers of the defendant companies have been entered in court here, and the exact contentions made by Beers are unknown. The actions, according to Beers' attorney, are for recovery of damages because of the way he was deprived of his business when the companies transferred to other agencies. He claims to have been induced to sign a trust agreement by reason of misrepresentation, according to his counsel.

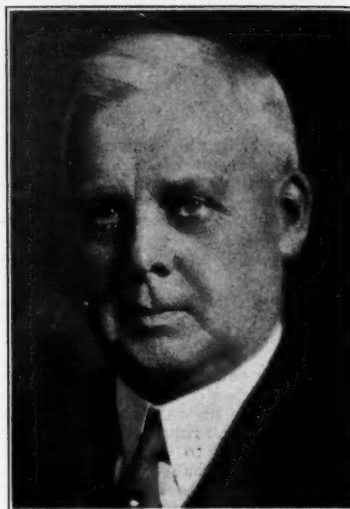
Circuit Judge Grimm acted favorably on a petition of the Equitable Fire & Marine, to transfer its case to the federal court. Similar action will probably be taken by the other companies. Wolfe & Hart, Milwaukee, are attorneys for the Equitable F. & M. and will also appear for the other companies. These include the Atlas, Automobile, Detroit F. & M., Connecticut, Eagle Fire of New York, Fire Association, Franklin Fire, Home, Hudson, Liverpool & London & Globe, Manhattan F. & M., Mercantile, Royal, Sun, United States Fire, North River, Western Fire, and State Agents G. G. Wright, B. K. Olinger, R. K. Meeker and C. L. Davis. The Beers agency was first trustee and then last November was sold to the Lewis & Simonsen agency for \$4,000.

SIMILAR CASE IN ILLINOIS

A similar case is pending before Judge Wright at Effingham, Ill., from whom a decision is expected at any time. F. B. Miller of Centralia, Ill., sued the companies and field men for \$100,000 on the ground his business was sold out under an illegal conspiracy.

George Blank, for 20 years with the Sault Insurance Agency, Sault Ste. Marie, Mich., has resigned to go with the Adams Insurance Agency there. He has been in the business in Sault Ste. Marie for 45 years.

Minnesota State Agent North America Retires



A. R. GRESS

A. R. Gress, state agent for the North America in Minnesota, who has been connected with that company in the northwest for 33 years, is retiring from active work as of April 1, when he will move to San Diego, Cal. He will live with his daughter and grandchildren. He will continue to represent the North America in specialized work.

He may return to Minnesota from time to time for special work and has been given the title of state agent emeritus.

Herman G. Gross, who has traveled in the Minnesota field for many years, succeeds Mr. Gress as state agent for the North America and the Philadelphia F. & M. He will be assisted by D. G. Roell and W. J. Mitchell. Both of these men will travel a portion of the field for both companies. Walter Millar continues as marine special agent.

Western Manager C. R. Tuttle states that in Mr. Gress' jurisdiction there has never been charged to profit and loss a dollar of uncollected agency balances, nor has his field ever had a balance over 90 days to carry into the company's annual statement.

Mr. Gress is a native of Northfield, Minn. He joined the Chicago, Milwaukee & St. Paul railroad as a telegraph operator in 1882. In 1885 he was employed by the Bank of Glencoe as a bookkeeper and later was given charge of the State Bank of Hector. In 1893 he was made cashier of the Citizens Bank of Northfield. He was in local agency work while in the banking business. In 1900 he was appointed special agent for the North America, assisting George C. Main, then state agent for Minnesota and the Dakotas. Upon the retirement of Mr. Main in 1910, Mr. Gress was named state agent.

Report Montana Legislation

HELENA, MONT., March 15.—Bills providing for state fire, compensation and public official bonding funds, have been killed in the Montana legislature. The bills providing for a state fire rating bureau and valued policies were also killed. An agency qualification measure requiring no written examination was passed and approved by the governor. It was hoped that a more complete qualification bill would be enacted but the opposition was too strong. However, the new act gives the commissioner more authority in the granting of licenses and also power to suspend or revoke licenses for cause, including incompetency. A measure was passed permitting mutuals to insure rural schools, churches and public buildings.

W. P. Smith, local agent at Arvada, Colo., for 30 years, died suddenly.

FIELD CHANGES

Mounce's Territory Expanded

Fidelity & Guaranty Fire Places Northern and Western Illinois Under Iowa-Nebraska State Agent

The Fidelity & Guaranty Fire has appointed C. C. Mounce state agent covering northern and western Illinois. Mr. Mounce has been with the company since its organization in charge of Iowa and Nebraska and he will continue to cover this territory with headquarters in the Equitable building, Des Moines.

The Chicago metropolitan district will continue under supervision of Manager R. D. Flinn and Paul V. Chivington, state agent at Indianapolis, will continue supervision of central and eastern Illinois.

Changes by Firemen's Group

The Firemen's group has made a number of field changes in the Pacific northwest. District Manager Ralph H. Mann will have supervision of the Firemen's, Concordia, Superior and Pittsburgh Underwriters with headquarters in Seattle. T. J. Maher will cover western Washington for the Milwaukee Mechanics and Girard Fire & Marine.

D. H. Percival takes over the National-Ben Franklin, Metropolitan Casualty and Commercial Casualty. He will supervise the casualty business of the group for the entire state of Washington and panhandle of Idaho. W. L. Burkhart of Spokane will continue to supervise all fire companies in eastern Washington and the panhandle of Idaho.

Aetna Group's Coast Changes

George Fisher, formerly in charge of the "Aetna plan" department of the Aetna Life group in San Francisco, has been transferred to all-line special agency work in the Sacramento and north coast field. He has been with the Aetna group about eight years, serving at one time as special agent in Oakland. He will be succeeded as manager of the promotion department by Joel Geddes, former underwriter in the fire and marine departments. W. P. Wiebalk, former fire special agent in the East Bay, has been transferred to the Sacramento and north coast territories for fire and allied lines, succeeding Gerald Hathaway, resigned. S. H. Louis will succeed Mr. Wiebalk in Oakland.

Crum & Forster Coast Changes

W. J. Reed, special agent for Crum & Forster in Oregon for the past seven years, has been transferred from Portland to San Francisco. A. H. Kindlen has been given charge of Oregon.

Hamilton Agents Elect

Leeds Bronson has been elected president of the Hamilton (O.) Association of Fire Insurance Agents. Other officers are Ralph Asbury, vice-president; Robert Ostendarp, secretary. These men with E. J. Schmidt, Earl Jackman and Jess Gilley make up the executive committee. The association sponsored a business men's banquet at which Harry Curran Wilbur of Chicago public relations counsel was the principal speaker. He emphasized the value of stock fire insurance in stabilizing the economic structure. Mayor Raymond Burke and Charles Parrish, president of the chamber of commerce, spoke.

The **Fish & Schulkamp General Agency**, Madison, Wis., has been incorporated by A. W. Schulkamp, P. O. Fish and J. L. Ashton. **Fish & Schulkamp** has also been incorporated by P. A. Sletteland, E. Rector and T. C. Kammholz.

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These new Annual Statements for December 31st, 1932, reflect the sweeping changes that occurred in the financial set-up of insurance companies during 1932 and previous years. All insurance men and the public as well are keenly interested in the results during this great testing time of American Insurance. Agents almost must have the new data to sell or advise authoritatively and convincingly in 1933.

Changes in Capital Structure—Security Reserves—Exact Basis of Valuations

The new 1933 Argus Charts show clearly the changes in capital structure, the reserves for security depreciation, and the exact basis of security valuation for both the December 31st, 1931 and December 31st, 1932 statements as well as other vital figures of the companies' financial reports and records of business done.

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Argus Charts show the facts and figures for **far more companies** than other charts. They include the data on all companies including Mutuals, Reciprocal and Lloyds having \$25,000 or more in annual premiums. Agents quite frequently wish to refer to companies not so generally well known. **Such companies are included in the Argus Charts.**

*Some Improvements in 1933 Argus Charts

The new Argus Charts will be slightly larger than heretofore and will include a number of new columns of information.

For Stock and Mutual Fire Companies

Two new columns are shown: "Premiums Earned" and "Underwriting Expenses Incurred." Also two new ratios making five ratios in all, namely Ratios to Premiums Written. (1) Losses Paid, (2) Losses Incurred, (3) Underwriting Expenses Paid, (4) Underwriting Expenses Incurred and also (5) Losses Incurred to Earned Premiums.

For Stock Casualty-Surety Companies

A new column showing Capital year by year. A new ratio, "The Combined Loss and Expense Ratio."

For Mutual Casualty-Surety Companies

This section has been completely rearranged to the same basis as Stock Companies. In the record of business done, it shows: Net Premiums Written, Premiums Earned, Total Income, Losses Paid, Losses Incurred, Expenses Incurred and Dividends Paid. Also two ratios to Premiums: (1) Losses Incurred to Earned, (2) Expenses Incurred to Written and also (3) the "Combined" Loss and Expense Ratio.

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Premiums Not Trust Funds Without Special Agreement

LANSING, MICH., March 15.—Efforts of Robert Stratton of the Stratton Insurance Agency here to have agents' premium accounts declared trust funds under banking moratorium restrictions failed this week when Attorney-General O'Brien held that no trust relationship need be recognized by a depository except under specific agreement.

Mr. Stratton cited rulings that certain accounts, such as those maintained by real estate concerns into which rentals collected for clients are placed, must be deemed trust accounts. He contended that the bank's knowledge that the agents' accounts are maintained to collect premiums for the companies created a trust relationship and made such accounts preferential under the existing state and national moratorium orders.

The attorney general finds, however, that "it is only where the bank itself has agreed to be trustee of funds or to accept the funds upon special deposit or where the person making the deposit had no right to do so or where the bank had no right to accept that a prior claim thereto can be asserted by the beneficial or true owner of the funds."

North Carolina Agents' Meeting

The annual meeting of the North Carolina Association of Insurance Agents will be held at the Robert E. Lee hotel in Winston-Salem, May 25-26. J. C. Nicholson, president of the Winston-Salem Insurance Exchange, is making preparations for the meeting. R. L. Meares of Wilmington is state president. J. D. Saint, the new manager of the organization, is making plans for a large attendance.

Wichita Falls has been given a 9 percent good fire record credit by the Texas department.

Fire Insurance Official to Speak to Life Men



CLARENCE T. HUBBARD

C. T. Hubbard of Hartford, assistant secretary of the Automobile, is one of the speakers this week before the Philadelphia Life Insurance Congress, his subject being "You Will Be Surprised."

Muncie, Ind., Agents Protest the New Vacancy Permit

The Muncie, Ind., Insurance Association has directed a protest to the Indiana Inspection Bureau against the new vacancy permit, which provides for a system of monthly increase in rate for vacancy and unoccupancy.

The communication states it is unfair

to make a charge which will, if the vacancy exists for any length of time, cost the insured more than the original rate paid. The charge is declared to be excessive, as evidenced by the rerating of vacant business rooms, since in most cases the rate is reduced while vacant. The letter states the assured should have the privilege of either paying an additional charge commensurate with the extra hazard or accepting a reduction in the coverage while vacant. He should have the option.

The charge is made that the new permit discriminates between the assured and the mortgagee when a standard mortgage clause is attached. The communication closes with the question whether this change was discussed with the conference committee of the National Association of Insurance Agents. The communication is signed by L. M. Milligan, president of the board, and C. E. Fisher, secretary.

Cairns Again Made President

Annual Meeting of the Pacific Factory Insurance Association Reelects Old Officers

SAN FRANCISCO, March 15.—Expressing satisfaction and enthusiasm over the first six months operation of the Pacific Factory Insurance Association, member companies re-elected all officers at the first annual meeting. Walter Van Orden, manager, was highly complimented upon the progress particularly during the limited period of operation. E. T. Cairns, vice-president Fireman's Fund, succeeded himself as president with other officers re-elected as follows: Edwin Parrish, America Fore, and Thos. H. Anderson, Liverpool & London & Globe, vice-presidents; Joy Lichtenstein, Hartford, treasurer; A. T. Bailey, North British, secretary. Officers and following re-elected members compose the executive committee: H. F. Mills, Aetna Fire; McClure Kelly, North America; R. H. Griffith, Glens Falls; A. M. Brown, Edw. Brown & Sons; John C. Dornin, Springfield; Clarence E. Allen, Goodwin & Allan.

California Agents Active

The Santa Barbara (Cal.) Association of Insurance Agents became affiliated with the California and National associations following a meeting with W. H. Menn, president, and Frank Colridge, secretary, as speakers.

A special meeting of representatives of local agents associations from Modesto north is to be held in Sacramento March 22 for discussion of farm compensation rates and existing inequalities with a view to formulating a program for presentation to the California Inspection Rating Bureau. Ed. R. Pickett, regional vice-president California association at Sacramento, is to serve as chairman.

Home Group's Texas Lineup

R. E. Alstead of San Antonio, special agent of the Home, Franklin and City of New York, will hereafter also have the National Liberty and Washington Underwriters in southwest Texas, exclusive of San Antonio and vicinity, which will continue to be supervised by Emil Hauelsen, southwest Texas state agent National Liberty.

J. L. Cummings of Houston, special agent Home, Franklin and City of New York, will also have southeast Texas, formerly supervised by W. J. McManmon. Vance Hoffmaster of Dallas, state agent National Liberty and Washington Underwriters, will continue to supervise north Texas as heretofore.

C. F. Dieter, owner of George C. Eichlitz & Co., San Antonio, Tex., general agency, has sent out a notice stating that he is continuing to operate the agency and rumors to the effect that it has been sold to other interests are untrue.

THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA PHILADELPHIA, PENNA.

Financial Statement

at Close of Business, December 31, 1932

Assets		Liabilities	
Stocks and Bonds.....	\$5,648,633.75	Losses Unpaid,	
Accrued Interest	59,954.25	Fire	\$ 316,795.00
Cash in Banks and Office	1,367,448.80	Marine	247,788.00
Premiums Due and in			\$ 564,583.00
Course of Collection...	392,292.18	Premium Re-	
Notes Receivable for Pre-		serve, Fire..	\$2,295,292.35
miums	4,263.99	Marine	118,054.65
Reinsurance Claims on			2,413,347.00
Losses Paid	53,716.86	Deposits Reclaimable on	
		Perpetual Policies	127,593.28
		Reserve for Taxes and	
		Expenses	137,151.77
		Capital	1,000,000.00
		Surplus	3,283,634.78
Total Assets	\$7,526,309.83	Total Liabilities	\$7,526,309.83

The Security Values used in this Statement are Market Values as of December 31, 1932

Had we used the values authorized by the National Convention of Insurance Commissioners, the Security Valuations would have increased in the sum of.....\$1,080,041.68 making the Surplus.....4,363,676.46 and the Assets.....8,606,351.51

Brooklyn Premiums Drop
Nearly 13% in 1932

Brooklyn premiums on the classes taxed for the support of the fire patrol during the last half of 1932 amounted to \$4,973,901, as compared with \$5,515,748 during the same period in 1931, according to the report to the New York Board. For the entire year 1932, Brooklyn premiums were \$10,221,165, as compared with \$11,744,327 the year before, a decrease of nearly 13 percent.

For the entire year 1932, combined premiums for Manhattan, the Bronx and Brooklyn amounted to \$30,673,760, as compared with \$35,474,822 in 1931.

Brooklyn premiums for the last six months of 1932 and 1931 of the leading writers follow:

	1932	1931
Home	\$ 212,434	\$ 193,566
Great American	124,221	184,587
Continental	112,414	141,902
Hartford	95,707	111,031
Fidelity-Phenix	95,594	106,838
National	94,624	127,908
L & L & G	92,926	90,892
Firemen's	87,428	73,171
National Liberty	85,565	103,809
No. Brit. & Merc.	84,588	74,860
Aetna	82,946	97,079
U. S. Fire	77,037	122,109
Amer. Equitable	75,981	51,931
Niagara	71,280	79,718
Globe & Rutgers	70,885	130,180
Royal	64,896	87,674
Automobile	62,993	67,826
City of New York	61,759	35,915
Franklin	61,693	51,239
Connecticut	61,388	84,966
American Eagle	60,815	75,586

The following is a list of the company group records for the last half of 1932 and 1931:

	1932	1931
Home	\$ 531,223	\$ 527,641
America Fore	376,793	484,379
Royal-Liverpool	280,476	301,812
Crum & Foster	242,597	381,567
Firemen's	238,927	193,700
No. Brit. & Merc.	209,944	169,961
Corroon & Reynolds	206,970	170,413
Hartford	181,177	212,268
Great American	165,172	232,634
North America	142,199	125,048
National	126,914	158,796
London & Lanc.	117,447	86,153
Coml. Union	113,117	119,073
Aetna Fire	102,297	116,626
Phoenix, Hartford	100,425	145,524
Phoenix, London	96,480	148,292
Globe & Rutgers	93,630	156,368
American	86,546	46,900
Fire Association	81,184	78,425
Sun	74,732	62,140
Automobile	74,643	80,434
Yorkshire	70,505	79,693
Scottish Union	63,590	26,581
Glens Falls	60,636	71,739

Local Agent Is Indicted

Nicholas L. Johnson, a leading local agent of Batavia, Ill., who represents many companies, has been held to the Kane county grand jury for the alleged embezzlement of about \$17,000 of the funds of the Batavia Savings & Building Association, of which he was secretary. He resigned from that position last month as well as from the vice-presidency of the Batavia National Bank. Several meetings on the Johnson agency were held by field men after the indictment.

Nebraska Discrimination Bill

The Nebraska senate has passed a bill prohibiting issuance of fire policies that discriminate against board rates or other like rates within communities. The bill is intended to stop the practice of giving chain stores lower rates under blanket policies.

The senate also passed a bill that would prohibit the sale of securities by insurance companies without investigation and permission of the insurance commissioner.

Virginia Rate Case Argued

RICHMOND, March 15.—The Virginia fire rate case, which was argued before the appellate court last week, may be decided at the June term but it is more likely that no decision will be given until September. Companies appealed from an order of the corporation commission requiring a rate reduction which would cut their annual premium

income approximately \$833,000. Counsel for the companies attacked the constitutionality of the act of 1928 giving the corporation commission authority to fix rates. They also argued that the reduced schedule does not yield a reasonable return on money invested in the business in Virginia and that the reduction amounts to a confiscation of their property.

Boise Board Elects

BOISE, IDA., March 15.—The Boise Association of Insurance Agents has elected Ralph Sheppard, son of Bradley Sheppard, veteran Boise local and

general agent, president; R. L. Campbell, Dollard-Perrault Agency, vice-president; G. C. Walker, who is also president of the Idaho Association of Insurance Agents, secretary-treasurer.

Riot Cover in Hartford; Unneeded

HARTFORD, March 15.—During the bank moratorium, to be on the safe side, several Hartford banks took out riot and commotion policies ranging from \$100,000 to \$200,000. These policies were issued in the early stages of the banking holiday. The need for such coverage, however, did not materialize. The pub-

lic in Hartford remained entirely calm. The reopening of banks here presented scenes of routine business transactions. Every bank in Hartford reopened Tuesday unrestricted.

Brokers President Resigns

SAN FRANCISCO, March 15.—C. H. Turner, serving his second term as president of the San Francisco Insurance Brokers Exchange, has resigned owing to ill health. His resignation has been accepted but no successor is yet appointed. Meanwhile Thomas Larke, Jr., first vice-president, heads the organization.

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of a company's statement is an event awaited with interest by an audience, each year becoming more discriminating. Such an audience knows that though the assets of a company indicate its gross worth, the high spot of the year's performance is arrived at by deducting liabilities from assets thus revealing the net surplus and the basic strength of the organization. This company has passed through the trying economic conditions of 1932 to emerge with a maintained record of dividend payments, total cash assets of \$19,272,338.61 and a net surplus, based on December 31, 1932 market values, of \$8,029,471.94 The capital of two million dollars has not been disturbed so the surplus to policy-holders is \$10,029,471.94. ☞ ☞ ☞ ☞ ☞ ☞

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Published every Thursday

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Greater Protection for the People

Insurance people went through the bank moratorium with fortitude and the utmost good will. And some are still in it. Every man was in the same boat with all his fellow countrymen. In some respects it was excellent discipline because people discovered they did not have to have a lot of money jingling in their pockets to bring satisfaction. It was a new adventure and experience in learning to live on less money.

When President ROOSEVELT issued his banking moratorium the people at large felt that a note was sounded that would eventually restore confidence. There has been considerable doubt in the minds of people what banks could be relied on and which could not. They realized that many banks were tied up with affiliates that had speculated in various enterprises that had "gone sour." The banks that are opening now will have the confidence of the people and there is an entirely new spirit on every hand. It is believed that the federal and state governments will be far more rigorous and exacting in their supervision.

The President engendered greater faith in his program by his intimate broadcast Sunday evening, an episode that was unprecedented and dramatic in its presentation because it brought him into hundreds of thousands of homes in the United States. No other single event in radio broadcasting has had the attention of so many people at one time as this. None had a more dramatic intensity. The character of the message, the sincerity in which it was given and the simplicity of its language added greatly to its importance. Its political significance must not be overlooked because it brought the President in closer touch with the people and gave him a much stronger backing in his urgency for reduction of government expenses that he had presented in a message to Congress. In spite of the powerful lobby of the American Legion and the federal employees' organization, the great thinking public stood steadily behind the executive in his effort to cut down the cost of government.

Insurance people are thoroughly in ac-

cord with the policy of the executive to pare down government expense because it is entirely too high. Until that move is put into effect there will not be that determination on part of the people to forge ahead as there should be. Taxes must be reduced. This applies to every tax levying body and it reaches from the humblest school district to the capitol at Washington. The government expenditures have increased by leaps and bounds until today every tenth person is being paid in whole or part from public revenue. This is a burden that is breaking the backs of those who have to pay taxes, either directly or indirectly. In the readjustment of individual income and outlay the government must take a hand and lop off excrescences.

There has been entirely too much speculation in banking. We have gotten away from the old time, primary, fundamental banking principles and depositors' money has been used, as President ROOSEVELT stated, in various enterprises of uncertain kidney. The tendency therefore will be to force banking into its natural bounds. The people will expect and demand more rigid supervision of banks. There has been entirely too much laxity in this regard.

And while banking is getting its house in order there should also be the same forces at work in insurance. There should be more vigorous exactions in insurance supervision. The people are not protected as they deserve from an insurance standpoint. There is still the speculative, high pressure, plunging element in a few insurance high places. People deserve to know what banks are solvent and can meet all their demands and they have the same right to call for a similar classification of insurance companies. The people must be protected along fundamental lines and insurance and banking are two of the institutions that come very closely to every household and business. The government, therefore, should see to it that its sheltering arms are thrown more closely about the people, at least, in these two regards.

PERSONAL SIDE OF BUSINESS

W. J. Henshaw, Indiana state agent of the St. Paul Fire & Marine, was inspecting the North Indianapolis Cradle Works plant one day last week and, smelling smoke, ferreted out an incipient blaze which was just getting under way where a spark, evidently from a passing locomotive, was being fanned into flame by the prevailing high wind. An extinguisher, quickly brought, proved to be out of commission and Mr. Henshaw called the fire department, which put out the fire with a loss of less than \$50. The plant was not operating and the sprinkler system had been drained. "Had I inspected the property a half hour earlier and completed my inspection," said Mr. Henshaw, "or had I arrived one-half hour later the building would no doubt have been materially damaged."

Bennett Griffin of Griffin, Ingram & Pfaff, Chicago agents, died last week. He was vice-president and one of the founders of the Chicago Business Men's Orchestra, playing first violin in that organization. Before entering insurance he was connected with the advertising department of the Chicago "Evening Post."

An illuminating article on the fire hazard in churches appears in the March issue of the "Christian Herald," written by P. W. Kearney and was based on information furnished by **T. A. Fleming** of the National Board. An exhaustive study of 154 church fires made by engineers of the National Board and of the National Fire Protection Association several years ago, it is stated, revealed that 45 percent of church fires of known origin were caused by defects in the heating plant or its tributaries. Next to heating plants the most frequent cause of church fires is defective wiring, while the third main hazard is lightning, the high steeples used on so many church structures showing a strong affinity for lightning bolts.

Miss Lela E. Cicotte of the Dansard-Little Company agency, Monroe, Mich., died last week. The agency is believed to be probably the oldest and largest in the United States operated entirely by women.

Some 25 years ago **George E. Little**, then an agent in Monroe, employed in his office **Miss Sara Whipple**, then in her teens. She had been in the office only a year or two when Mr. Little died. The business was about to be sold when Miss Whipple told **Boyez Dansard**, a banker, that she could run the business. Everyone was so impressed with her sincerity, her eagerness and intelligence that a corporation was formed, called the Dansard-Little Company. Miss Whipple ran the business and it has been successful ever since.

Miss Whipple later employed **Miss Lela E. Cicotte**, who soon showed that she was interested in the business, and had for some years been a partner in the agency. With them were **Miss Lola Ott**, who has been with the agency ten years; **Miss Helen Rammler** and **Miss Janet Anteau**.

Charles E. Affeld, veteran insurance man of Chicago, who now resides in Evanston, Ill., and who retired from business in 1925, and his brother, **F. O. Affeld**, who retired in 1913 after 40 years' service as United States manager of the Hamburg-Bremen, struck the daily papers in a conspicuous way last week. These two men are twin brothers and celebrated their 90th birthday anniversary. **F. O.** resides in Brooklyn. **C. E. Affeld** was a member of the old firm of **Witkowski & Affeld**, Chicago local agents, and western managers of the Hamburg-Bremen. Both served in the

Civil War for three years. **C. E. Affeld, Jr.**, conducts a local agency in Chicago. **F. O. Affeld, Jr.**, is a member of the legal firm of **Richards & Affeld**, New York City, specializing in insurance. **F. O. Affeld, III**, is an attorney with **Winthrop, Simpson, Putnam & Roberts** in New York, and **F. O. Affeld, IV**, three years of age, is a great-grandson of the famous Hamburg-Bremen manager. Cuts in the papers appeared with the two brothers in Civil War uniform and later taken together a few years ago showing them as they are today.

Officers of the Board of Trade post of the American Legion went to the Chicago City Club with a stand of colors Thursday noon of last week in observance of **C. E. Affeld's** birthday. He is a charter member of the club and is the oldest member of that club and **Union League Club of Chicago**. He and his brother are the only surviving Civil War twins. One of the four flags brought by the American Legion to the City Club was that of **Battery B, Chicago Light Field Artillery**, the outfit in which the two Affelds served.

G. C. Wallingford of New York City, United States secretary of the Atlas, and secretary and vice-president of its running mate, the Albany, has been visiting the western department in Chicago. He is at home in the western city as he got his training there and was formerly chief accountant in the western department.

Miss Harriet Roberts, 69, for 20 years associated with **Mrs. E. G. Wilkinson** in the **Roberts & Wilkinson** agency, Beloit, Wis., died at her home there. She had been in insurance work for about 40 years.

A resolution endorsing the candidacy of **John C. Harding**, Chicago, western manager of the Springfield, for director of the United States Chamber of Commerce, was adopted at the March meeting of the Milwaukee Board, as was a resolution of condolence to the family of the late **J. B. Leedom**, former director and president of the board.

Harry M. Frank, manager of the Associated Underwriters Corporation, Phoenix, Ariz., general agents, is dead. He formerly was state agent of the Royal in New Mexico, and was well known in the mountain field.

Bert Mullen, surveyor for the Pacific Board, was fatally injured in an automobile accident March 8 while returning from a survey at Petaluma and died the following day.

It is now **Col. Samuel B. Ridgway**, the southern Illinois special agent of the American of Newark having been added to the staff of Governor Laffoon of Kentucky. Although Mr. Ridgway has been living in Illinois for nine years, he is a native of Kentucky.

Insurance Record of Santa Barbara Quake

Underwriters were much interested in reviewing the record of the Santa Barbara earthquake, which occurred June 29, 1926. Fire did not follow the earthquake and that catastrophe was the only basis for determining the likely experience in an earthquake, where fire does not ensue. In that disaster, the property damage was \$10,000,000. The total insurance involved was \$2,025,700, while losses paid were \$803,672. Thus the loss ratio in that catastrophe was 33.68 percent.

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FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

CAPITAL

\$ 9,397,690.00

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

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\$ 1,000,000.00

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Organized 1870

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THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President
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UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

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MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

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THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

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\$ 1,000,000.00

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 220 Bush Street,
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LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

Kansas City Fire and Marine Insurance Company

Statement of Assets and Liabilities
December 31, 1932

Assets	Per Cent of Gross Assets	Liabilities	
Cash on Hand and in Banks	\$121,138.20 9.6%	Reserve for Outstanding Claims	\$ 16,913.72
*Bonds, U. S. Government, Municipal and Industrial	847,558.21 66.6%	Reserve for Unearned Premiums	140,260.43
*Stocks, Preferred and Common.....	129,300.00 10.1%	Reserve for Taxes.....	4,675.00
Real Estate Mortgages	75,625.00 5.9%	Reserve for Impounded Premiums (State of Missouri)	37,329.17
Balances due from Agents (less than 90 days old).....	49,840.04 3.9%	Reserve for All Other Liabilities	10,826.16
Accrued Interest on Securities Owned	13,668.52 1.1%	Voluntary Reserve	50,000.00
Reinsurance Recoverable on Paid Losses	2,673.88 0.2%	Capital	\$500,000.00
Impounded Premiums Deposited with State of Missouri	33,647.80 2.6%	Surplus	513,447.17
		Surplus as regards Policyholders	1,013,447.17
	\$1,273,451.65 100%		\$1,273,451.65

*Value of Bonds and Stocks as approved by Insurance Commissioners. If the optional method of amortization had been used, Surplus would have been increased by \$8,300.00.

Officers

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A Stock Fire Insurance Company
Writing Fire, Automobile and Marine Insurance

Managed By

R. B. JONES & SONS Inc.

Federal Reserve Bank Bldg.
Kansas City, Mo.

Insurance Exchange
Chicago, Ill.

National Board Committee Set Up for Clearing Losses

(CONTINUED FROM PAGE 3)

ing slow and requiring inspection of buildings before binding themselves. A number of companies are endorsing policies describing and excluding damage occasioned by this quake. It is possible that claims must wait several months for payment, due to the ruling adopted last week by the National Board advising companies to take 60 days for settlement of claims in excess of \$100. It is possible that due to the present unusual circumstances exceptions may be made in the southern California situation.

Quake Cover Dropped

Because of the economic situation, many property owners have dropped quake insurance in the past two years. The greatest part of the buildings in the afflicted area are not covered by earthquake insurance, according to officials of the Fireman's Fund. The loss, according to these officials, is comparatively light and they expressed the opinion that companies may possibly be able to handle the situation individually.

Charles H. Lum, assistant general manager of the National Board, will be in charge of the local clearing house that has been established for adjustment of claims and will have full records of all fire and earthquake risks of the 225 companies concerned, this data now being assembled.

Estimates of property loss are being reduced day by day and because all quake policies contain a clause requiring the building owner to assume the initial loss ranging from five to 15 percent depending on the class of building covered, it is conservatively estimated that liability of the companies will not exceed five percent of the property loss sustained or possibly ten percent at outside, as many building sustained but slight injury.

Estimates of total property loss in all stricken districts have been reduced to approximately twenty-five million, including fire loss. Representatives of companies interested are now in Long Beach, Compton and other districts making a careful check of damages. Property loss in Los Angeles proper is considered nominal, total damage being estimated at \$250,000, including fire loss, estimated not to exceed \$100,000. Surveyors of engineering division of Los Angeles harbor district estimate damage to docks at \$500,000. Repairs and reconstruction work are actively progressing in all sections and the situation is approaching normal.

San Francisco Estimates Puts Loss at 10 Per Cent

(CONTINUED FROM PAGE 3)

plate glass loss and probably a high number of claims resulting from the destruction of hundreds of automobiles by falling buildings, cornices, bricks, etc. The remarkable lack of serious fires minimizes the fire insurance losses.

Prove Insurance Contentions

The disaster has tended to prove the contentions of the companies that the rates should be high as compared to those which insurance buyers have requested from time to time. The underwriters have on many occasions refused to go back to the old low rates on the ground that an earthquake affects a wide area as against the fire hazards. The inability also to estimate the full damage to a building at the outset also is a factor. But the most interesting feature of the Los Angeles and Long Beach catastrophe is the argument which continued for several years following the prediction made by Professor Bailey Willis to the underwriters in 1926 when he stated that in his opinion southern California would receive severe shaking up within ten years and that the most damage would be between Los Angeles and the sea. Southern Californians resented this prediction and invested a substantial sum in an attempt to refute this as well as to convince the insurance companies that the danger was remote and that more liberal policies and lower rates should be granted.

Mr. Willis in his talk before the National Board in 1926, expressed the belief that earthquake premiums collected from that time until the next earthquake occurred would not be more than 12 percent of what the next earthquake loss would be in Los Angeles. He said then he regarded northern California as practically immune from serious earthquakes for some time to come, but he left the impression Los Angeles should be avoided for earthquake insurance.

Irregular Buildings

He pointed out that there are ten grades of foundation, rock being regarded as secure, gravel and sand as intermediate and spiles in mud being very insecure and dangerous—the base under such buildings is often moved a foot or more in moderate earthquake disturbances.

As to plan and form of construction, he said that a square, rectangular block is the safest and best type. A high tower or a projecting ell, neither of which would sway in unison with the main building, are dangerous—likewise

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PHOENIX
WINNIPEG

DULUTH

SAN FRANCISCO
LOS ANGELES
PORTLAND
SEATTLE
VANCOUVER

water tanks and high chimneys, both of which are likely to crash and cause serious damage.

Where the building must be irregular in shape or it must cover an unusually large area, it should be built in sections independent of the other except connected by some soft, crushable material between. The distance may only be a foot or so, but this precaution will save distortion.

Bearing walls carrying joists should be tied together so that all walls will sway in unison. This may be done by carrying the joists entirely through the walls, but the best method is to have the walls tied together with rods with plates on the outside.

Buildings with a structural frame carrying all load are the best type of construction.

If a building is properly designed the material is not so important. Wood is the best material for light structure. Wooden buildings can be easily braced and probably can be insured with some degree of safety.

Reinforced concrete was unqualifiedly condemned. The material is uncertain, too much being dependent upon the mixture of ingredients, how poured and how set.

Steel frame buildings are usually flexible and hold together, but the frame will become distorted and the enclosing walls supported thereon will be crushed and often fall out. Panel walls of thin, well reinforced concrete are the most likely to stand up.

Find California Losses Nominal

(CONTINUED FROM PAGE 3)

and residence structures, suffered severely, as did a large school building of such construction. It is likely that the full amount of the earthquake liability in effect in California on March 10, the day of the shock, will never be known unless a direct request is made by state authorities from all companies. A check on some 216 company statements, which do not include the Home of New York fleet, shows net total liability of \$129,048,550 written in California last year, with premiums of \$713,673. This compares with \$2,031,000 premiums in 1931. The same company statements show total liability in effect nationwide at the close of 1932 to be \$486,169,107, indicating that the companies have a considerable amount of three-year business or that earthquake is being written more freely in other sections outside of California.

Statements of a number of mutuals carry the notation that no earthquake policies are issued as such, but in some cases rider attached to fire policy to cover damage caused by earthquake as well as fire loss. Apparently the non-board companies and mutuals did not have an unreasonable amount of liability in the affected area, and reciprocals do not appear to have any.

Leading Writers in 1932

The companies appearing to be the most liberal writers, with the deductible form of policy, in the state in 1932 are the Aetna, California, Continental, Fidelity Phenix, Globe & Rutgers, Hartford, Liverpool & London & Globe, National of Hartford, Niagara, Norwich Union, Phoenix Assurance, Westchester, Firemen's of Newark and Sun, but their writings are small compared with some individual companies two years ago. As a further illustration of the incongruity of the situation may be cited the estimate of the Hartford Fire group. According to figures released late Tuesday, the Hartford has an earthquake loss so far of \$5,000 and fire \$11,000. The Twin City reports \$3,000 earthquake and the Minneapolis F. & M. \$4,000 fire. The entire America Fore group, large writers when compared with other groups, reports that \$50,000 will probably cover all.

However, plate glass insurers are

showing considerable concern where their fire insurance brokers are generally resting comfortably. Reports are that glass in the three towns hit the hardest was almost entirely destroyed. There are many peculiar phases to the earthquake problem which make it almost impossible to develop any fair prediction. The city of San Francisco has sent its chief of fire department, building inspector, other officials interested and a corps of structural engineers to the south to study the effect of the shock upon various types of construction. Their report, it is expected, will serve as a basis for improving the city's present building code. No companies report any increased demand from any section for new earthquake insurance up to this writing.

Best Pay Agents in Towns Where Holiday Is Old Story

According to the experience of some Indiana field men, the best paying local agents during the bank holiday have been those in towns where all banks have been closed for some time and towns which had no banks at all. In such places agents have learned how to get along without banks and have been remitting with money orders, and several field men report having been paid in cash brought to Indianapolis by the agents in person. Many checks have been sent in made payable to field men. These have generally been returned to the agents. Checks made out to companies have been sent to home or branch offices, there to be held for collection or returned to the agent for replacement with new checks.

Quake Damage Impressions

J. A. Flaws of Los Angeles, who was formerly connected with the Hartford in its western department at Chicago, has written to some of his friends in the east about the southern California earthquake. Mr. Flaws is now in the sprinkler installation and nursery business.

He reports that damage from earthquake and fire in Los Angeles and in the industrial area is largely superficial and there is no visible damage in the Hollywood section. Downtown Los Angeles has only trivial earthquake damage and no fire damage ensued there. There is some window breakage in the principal financial and shopping district and the curtain walls of a few buildings in the vicinity of Fifth and Spring streets have been cracked. There is no collapse of copings or wall structures in the steel frame and recent concrete construction.

South from the heart of the city, a slightly increased volume of damage is noticeable, here and there the facade or coping of part of a building being thrown to the street. This usually occurred when there was an inadequate tie between the roof structure and outer wall and the damage only extends to a foot or so below the under surface of the roof line.

Miscellaneous Notes

E. M. Bartow, 60, Fairplay, Colo., agent, died suddenly last week of pneumonia.

Miss Frances L. Boynton, local agent at Hastings, Minn., and in the insurance business in that city over 30 years, died last week.

Mrs. W. A. Kruger, vice-president Kruger Insurance Agency, Green Bay, Wis., was called to Caledonia, Minn., on account of the death of her mother.

The Retail Lumbermen's Inter-Insurance Exchange of Minneapolis has been licensed in Canada for fire and tornado insurance with F. W. Ritter, Winnipeg.

The Michigan Fire Prevention Association inspected Three Rivers Wednesday. R. E. Verner of the Western Actuarial Bureau, Chicago, gave a public address.

The North American Inter-Insurers of New York City, an inter-insurance exchange, having canceled all outstanding policies as of Jan. 24, is retiring from the different states and liquidating.

ORIENT INSURANCE COMPANY

of Hartford, Connecticut

For sixty-six years writing

**FIRE RIOT
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Manager

332 Pine St.

SAN FRANCISCO

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1928

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

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**FIRE—TORNADO—OCEAN and INLAND MARINE
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INCORPORATED 1833

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Richmond, Va.

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SPRINKLER LEAKAGE AUTOMOBILE INSURANCE**

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cahal, Manager

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The Oldest Scottish Insurance Office

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ROBERT R. CLARK,
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THE NETHERLANDS INSURANCE COMPANY OF
THE HAGUE, HOLLAND

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Consideration Is Asked by Premium Finance Companies

(CONTINUED FROM PAGE 4)

the assured cancellation notice of our agreement. At this time it would be in order for us to ask you to effect cancellation of the policy and refund to us the unearned portion of the premium. Undoubtedly the failure of the assured to pay the installment is due to the banking conditions.

"Desiring to be of assistance to both the assured and your company and making it possible to avoid cancellation at this time, we are willing, if it meets with your approval, to allow the assured an additional 30 days extension for the payment of his delinquent installment. To do this, however, we feel that your company would be willing, if it is necessary at a later date to cancel the policy, to grant us a pro rata cancellation if more than the short rate return is needed to pay in full the obligation due us from the assured."

The National Guarantee & Finance Co. said that some extra grace period should be allowed to assureds who have financed their premiums and that the finance company is willing to do its part, providing the insurance companies will cooperate by agreeing to pro rata cancellation instead of short rate, if such cancellation becomes necessary. If the companies agree to this, the National Guarantee states that it will be able to extend the grace period until the unearned premium on any contract (calculated pro rata) has reached the amount of the finance company's balance.

"On the basis of pro rata return premium," the Insurance Premium Finance Company stated, "we could defer surrender of the policies for cancellation until the return premium on this basis equals the balance due us from the assured. If such flexibility can be applied temporarily it will assist materially in enabling all concerned to adjust themselves to the situation."

Estimate of California Loss Given by Many Companies

(CONTINUED FROM PAGE 4)

light earthquake liability. Extent fire claims not definitely ascertainable but can involve no serious aggregate."

Fireman's Fund—Gross fire and earthquake loss is estimated at about \$75,000.

Firemen's—No information available.

General of Seattle—Vice-President F. W. Hall wires: "Very pleased to be able to advise you our earthquake liabilities Southern California quite moderate and losses both earthquake and fire not at all serious."

Glens Falls—President F. M. Smalley advises: "Have no definite figures earthquake liability California. Vice-President Griffith advises loss will be very small, mostly plate glass and automobile."

Globe & Rutgers—Vice-President H. E. Bilkey wires: "Check up our losses shows small liabilities but no definite figures as yet available." Liability slight.

Great American—Estimated loss \$50,000.

Hanover—Estimated loss \$20,000.

Hartford Fire—Estimated loss of all companies in Hartford group "well under \$50,000."

Home—The estimated liability of all companies in the Home of New York group in the region affected by the California earthquake is \$200,000. Loss is estimated at well under \$100,000.

Lincoln—Estimated loss \$40,000.

London—No figures available. Loss moderate.

London & Lancashire—Small loss. No definite figures.

Merchants, New York—Fire nominal. Earthquake small.

Meserole—Loss exceedingly slight. No figures available.

Millers National—Net loss in Long Beach is estimated at \$10,000. The gross liability of the Millers National in Long Beach was \$85,000 and its net liability \$29,100. It had no liability in Compton and in Los Angeles only scattering loss is expected. A year ago the Millers National had \$400,000 gross and \$90,000 net earthquake liability in Los Angeles.

Monarch—After thorough check, the Monarch wires no losses either fire or earthquake can be found in the California district.

National Union—President J. M. Thomas received advice from his Pacific Coast department that check up reveals probable loss of the National Union companies is \$15,000 earthquake and \$8,000 fire.

National—President F. D. Layton wires: "Latest advices from our Pacific Coast department give rough estimate our losses in recent earthquake at somewhere between \$25,000 and \$50,000."

New Hampshire—President F. W. Sargeant wires: "New Hampshire group has no California earthquake losses."

North America—No claims. Apparently little if any loss.

Northern, New York—Nominal loss. No figures available.

Northwestern National—Earthquake and fire claims reported aggregate about \$5,000. Final reports not received. Heavy losses not anticipated.

Norwich Union—Estimated earthquake loss not more than \$15,000.

Ohio Farmers—President F. H. Hawley wires: "Although we have a fine volume in California, our general agent Fred A. Spear wires we have no reported losses in the recent earthquake."

Providence Washington—Estimate California losses Providence Washington \$25,000, Anchor \$10,000.

Rhode Island—President E. G. Pieper wires: "From present indications which are confirmed by our California general agents the Rhode Island sustained no loss in the California earthquake. The Merchants Fire of Rhode Island not over \$2,500."

Royal-Liverpool—Fire and earthquake loss for seven companies estimated at \$75,000.

St. Paul F. & M.—Vice-President C. F. Codere wires: "California earthquake no full details as yet, but we are advised our loss is nominal, principally isolated fire losses."

Springfield F. & M.—President George G. Bulkley wires: "The Springfield has not been a heavy earthquake writing company and has no earthquake liability at Long Beach and vicinity, the center of disturbance, with very limited liability in vicinity of Los Angeles."

Sun—Estimated loss under \$25,000.

Travelers Fire—Total property losses under Travelers policies as a result of the recent California earthquake will run around \$25,000 according to latest reports received from representatives on the coast. This loss includes \$5,000 as a result of fire, \$5,000 for earthquake and \$15,000 for plate glass. No claims under life policies are reported while the only accident claim has been for a sprained ankle; probably a few automobile losses will result from the disaster.

Yorkshire—Liability slight. Won't exceed \$5,000.

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Consider Future of Bank Agencies

(CONTINUED FROM PAGE 5)

divorce banks from the insurance agency field. The Insurance Exchange of St. Paul and the Minneapolis Underwriters' Association have lined up in favor of action along this line and word is now being awaited from the Duluth Exchange before proceeding further.

If Duluth indorses the move, the three cities will lay the matter before Governor Olson and then such legislation as is necessary will be sought. For the present at least it is planned to limit the proposal to the three large cities, in which the banks have cut seriously into the income of regular insurance agents.

MUCH INTEREST IN LOUISVILLE

LOUISVILLE, March 15.—With five or more banks or trust companies in

Louisville operating insurance agencies, plus several other financial institutions side-lining in insurance, the movement for banks to divorce themselves from affiliates has been of considerable interest to Louisville local agents, who have felt the competition of the banks, especially on mortgage loan properties.

Cleveland Board Meet Postponed

The meeting of the Insurance Board of Cleveland scheduled for March 15 has been postponed to April 12. Fire Chief Granger will be the speaker as previously announced.

W. I. B. States Loss Position

The Western Insurance Bureau has taken action, endorsing the recommendation of the National Board that loss payments be deferred for the full period allowed under the statutes of the various states.

Is Federal Control Nearer in the Field of Insurance?

(CONTINUED FROM PAGE 5)

then insurance in its various branches will not enjoy public confidence as it has in the past.

Today the fire and marine insurance companies as a class can be said to be in better shape than others because the demands on them have not been inordinate. Where management has been conservative and wise, even if the banking end of a company ran away with it during the palmy days, the readjustment process has not involved such heavy drains as in other lines.

The casualty and surety companies have much trouble due largely to the heavy underwriting losses in workmen's compensation, automobile and other lines in addition to security depreciation. Then surety companies have been

confronted with depository bond losses and financial guarantees of various kinds, especially real estate bonds, as a few companies wrote those. In many respects, the casualty and surety business has been a nightmare but given time and consideration the companies that have experienced and able management will later work themselves out. The surety companies wrote depository bonds freely. Some of them are deeply involved and liability will be increased inasmuch as a number of banks will not be allowed to reopen.

Had to Take Place of Banks

Life insurance has had to combat disintegrating forces and there has been a bombardment since the end of 1929 with hardly a cessation so far as demands for cash surrenders and policy loans were concerned. Production naturally fell off. Lapses were heavy and companies had to make sacrifices to meet all the demands on them. There were defaults in farm mortgages and securi-

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ties of various kinds. There will be more moratoria on mortgages. The main trouble afflicting life insurance was the fact that these companies had to take the place of banks. Wherever there were bank failures or the public began to lose confidence in banks, policyholders immediately drew on their life companies for the equity in their policies. In fact, banks themselves greatly encouraged policyholders to run to their life companies.

When the states and cities began to declare bank moratoria, the life insurance situation became more acute. Even in these centers policyholders were unable to cash drafts for loans and insisted they be sent postoffice or express order so they could get currency although no premiums were forthcoming. Then came the declaration of the Illinois and New York governors followed by the proclamation of President Roosevelt. It became apparent that if the banks were to reopen on a percentage basis, as seemed likely, the demands on life companies would be overwhelming and none could survive. Even with a large number of banks not being able to reopen and some on a percentage basis, the people will still turn to their life companies for support. There having been no classification made as there is being in banks, they will not know which ones are solid and which not. The rush of emergency life insurance legislation giving governors and insurance departments power to issue decrees of all kinds declaring moratoria against loans and surrenders came as a matter of necessity. Now we have a variegated quilt so to speak, with different edicts which will make it difficult for the companies to comply. All companies licensed in New York must comply with the New York ruling. All licensed in Illinois must comply with the rulings there. And so it goes.

Paul vs. Virginia Case

The situation as developed naturally brings to mind whether the time has come for federal control of insurance, either entire or in part as has been done with state banking. We have the famous United States court decision Paul vs. Virginia, which held that insurance is not interstate commerce and hence is not subject to federal supervision. Yet times, opinions and customs have changed. It has often been predicted that if the question were presented to the high tribunal again the old decision would be reversed. Insurance company people in various sections have not been particularly favorable to federal supervision, feeling that centralization had gone far enough. The states are jealous of their sovereignty. It was felt, for example, that the smaller and medium sized companies especially would receive a more sympathetic attitude from their own state government than they would if control were centered at Washington.

Even if federal supervision does not come and if it does follow naturally the supreme court would have to reverse its decision and that is a long way off, there still is working in the distance the possibility of President Roosevelt's assuming authority over life insurance in particular in order to save the day. If it becomes necessary to classify insurance companies and if the R. F. C. or other governmental agency is to give help, then President Roosevelt and his associates certainly are justified in taking a hand and participating in the management. There are 299 legal reserve life companies located throughout the country. The problem of classifying them would be far simpler than is the case with the banks. When it comes to casualty and fire insurance there would be still less difficulty in reaching a conclusion as to classification. If the national government feels very deeply that it can avert disaster by cutting through destructive tendencies to a program of confidence and constructive effort, then undoubtedly that step will be taken. The people only ask security in their insurance as they do in the banks and they want full assurance of safety.

Insurance People Getting Cleared

(CONTINUED FROM PAGE 3)

bank balance was held in the branch offices.

It will take some time for local agents to get their affairs straightened out and collections coming in. Loss drafts were presented Monday and have been since although the fire companies are not making haste to send out drafts these days, taking the full 60 days unless there is some good reason for an immediate payment. Companies as a rule have been notified that the 60 days should be taken on all losses of whatever amount.

The two things determined on by companies that will have a far reaching effect are the invoking of the 60 day clause in loss payments and the requirement that balances be paid within 60 days. Whether the banking situation will have material effect on the new balance payment regulation that was entered into by a number of companies, which will go into effect May 1, remains to be seen. Companies were surprised this week to receive from some agents a request that they take over the responsibility of collecting unpaid accounts while the local offices would agree to go on a cash basis for all current balances. These agents desired the companies to endeavor to collect and if not to issue cancellation notices direct. Whether some field men have gotten an erroneous idea as to procedure is not known but these demands were made this week.

Michigan Fares Worst

While the general banking situation has cleared up immensely and the banks reopening will have the confidence of the public, naturally a number of people will be called on to face losses where banks are not allowed to reopen at all or on a restricted basis. This will have an effect on premiums and balance collection. Perhaps the worst state is Michigan due to the very chaotic banking situation in Detroit, which involved the whole state. This was the state moratorium that started the ball rolling all over the country. The agents throughout Michigan are confronted with greater problems from a collection standpoint than those in any other state.

Field men, who for the most part stayed at headquarters last week, were called to the colors Monday and this week are out on the firing line. They can do little with balance sheets, as they are badly muddled. Therefore, not much can be accomplished along collection lines until the banks get cleared away.

Some Quake Cover Is Sold in Non-Hazardous Regions

Although the lion's share of earthquake insurance is written in California, a certain amount of it is carried in territories where the earthquake hazard is regarded as remote. In other places, earthquake insurance is usually purchased at the instance of the mortgagee, who insists that the property be covered against every peril. A number of large hotels throughout the country are covered for earthquake insurance, notably the Palmer House in Chicago.

As a result of the Los Angeles earthquake, some earthquake insurance was written throughout the country. For instance, this week a \$100,000 line was placed on an office building in Peoria, Ill.

National American Transfers

The National American of Omaha has transferred to the Mountain States General Agency of Denver, which will represent the company in Colorado. E. R. Goodman, former state agent of the company, will establish a local agency in Denver and will represent the National American in that capacity.

WE REPEAT—

THE INSURANCE BUSINESS IS
AND WILL CONTINUE TO BE A
VITAL ELEMENT IN COMMERCE
INDUSTRY AND FINANCE

IT HAS STOOD AND WILL
STAND THROUGH FIRE, PANIC
PESTILENCE AND WAR

KANSAS CITY
NEW YORK
CHICAGO
LOS ANGELES

**EMPLOYERS
REINSURANCE
CORPORATION**

E. G. TRIMBLE, President

The National Underwriter

March 16, 1933

CASUALTY AND SURETY SECTION

Page Twenty-five

Cornelius Favors Compensation Pool

Cost of Service Functions Could Be Reduced Thereby, He Says

NEED CORRECTIVE STEPS

Continental Casualty Executive, in Chicago Talk, Urges Resort to Legal Action to Get Rate Increases

Compensation, at best, must be regarded as an accommodation line written only as a necessary incident to the general casualty business, M. P. Cornelius, vice-president of the Continental Casualty, declared in a talk Tuesday evening in the series of educational gatherings for brokers and agents in Chicago given by his company. The character of the business is such, he said, that neither company nor producer can expect to make any money out of it.

Mr. Cornelius cited the progressive underwriting loss in compensation. The expense ratio in 1931 and 1932 of companies reporting to the New York department on compensation business amounted to 34.5 percent, of which 17.5 percent was commissions. The rest was made up of general administration 9 percent, taxes 2.5 percent, inspection and bureau 3.5 percent and audit. If home office administration, he said, were entirely eliminated, the companies would still have suffered an underwriting loss of 10 percent.

Corrective Action Needed

Radical corrective action must be taken soon or the companies will be forced to retire from the compensation business. He said a radical change must be made in the unjustifiable credit system under which the companies are permitting 60 day flat cancellation and assuming a substantial obligation for which they never receive a dollar. A clothing merchant, he said, would never permit a customer to wear a suit for 60 days and then return it without obligation. Although the same argument applies to other lines, it is emphasized in compensation, which produces such an excessive loss.

He expressed the belief it would be possible for the companies to set up some sort of pool to handle compensation for all companies, thereby making some reduction in the aggregate cost of certain service functions. The companies, he said, should resort to legal action in every jurisdiction which fails to approve adequate rates. If these things were done, he said, the companies probably would come close to breaking even on the business.

Mr. Cornelius treated the cut rate problem as it affects casualty insurance as a whole. Many companies, he said, have succumbed to temptation and have entered into unjustifiable and suicidal rate competition where large risks pro-

Casualty Companies Watch New Agency Balance Rule

SCAN FIRE OFFICES' ACTION

Will Have an Effect Where There Is a Delinquency of Sixty Days

Casualty and surety companies are studying the situation that will confront them in central western territory under the jurisdiction of the Western Fire Underwriters Association running from the Pennsylvania line to the Colorado border and including Oklahoma, Kentucky and Tennessee. Some 75 or more fire companies have agreed to a rule suspending agencies from May 1 on that are delinquent more than 60 days in the payment of balances. Agents are being given until May 1 to clean up. After that time they must pay all balances that are 60 days due.

Fire companies are dissatisfied with trustee agencies and have discovered that the delinquents comprise numerically about from 15 to 20 percent of the local offices. Therefore, a lot of time, energy and expense are being spent in trying to whip these delinquents in line. The fire companies therefore have taken the bull by the horns and have agreed to suspend agencies that cannot pay their obligations that are 60 days old. Casualty companies fear that their money will be used by agents to pay their fire companies in order to escape suspension.

ducing attractive premiums are involved. Large buyers of insurance and brokers have taken advantage of this weakness of the companies. The practice has been principally confined to the large risks, but some of the weaker companies have extended this to the business generally.

The companies have not had the experience and wisdom to enable them to determine what risks can and cannot be written, he said. Uninsurable risks fall into classes involving moral hazard and those involving extreme physical hazard. Some involve both. Strictly speaking, those involving extreme physical hazard may be written at a rate, but from a practical standpoint they are not insurable because the rate is so high that the assured either cannot or will not pay it. Moral hazard may result, because of the reluctance of the assured to pay such a high rate.

Business Developed Rapidly

Mr. Cornelius said that many of the problems of the casualty business grow out of the fact that it is a young business and grew to importance so rapidly with the development of the compensation line and automobile. It became a fertile ground for promoters and inexperienced, inefficient and unseasoned managements were hurriedly thrown together, provided with financial resources and started out to get the business. Underwriting standards were lowered and unjustifiable acquisition and management costs incurred. He said that casualty insurance, for these reasons, was headed for trouble, even if the depression had not happened along.

California Plate Glass Loss Is Expected to Be Large

LOOK FOR LITTLE SALVAGE

Few Burglary, Compensation or Steam Boiler Claims Result from Destructive Earthquake

NEW YORK, March 15.—Plate glass companies are likely to take a loss of \$180,000 as a result of the California earthquake. The amount of salvage anticipated is almost negligible. The companies' liability is clear, the exemption from the earthquake hazard having been removed from policies in the territory three years ago with a view to stimulating business production.

Rates for the coverage are extremely low, which accounts in part for the large volume at risk. Under the ordinary run of losses, salvage on plate glass losses ranges from 20 to 25 percent, a condition that would not hold in a severe 'quake shakeup such as in the Long Beach area Saturday.

Other Lines Not Much Affected

Companies on the burglary hazard in the affected area have had no notice of loss, nor do they expect any, the experience of the companies being that in disaster, property is more secure than at any other time. The afflicted sections are being patrolled by troops who are stern in dealing with looters.

There will be a few compensation claims, doubtless, reports telling of the death of several telephone people at work at the time the 'quake occurred.

Though no steam boiler losses have been heard of, it is anticipated that companies may be found liable for destruction caused boilers and connections through falling walls. As the 'quake was an "act of God" and could not have been safeguarded against, it is hard to see how there can be any liability under public liability covers.

Semi-Compulsory Bill Passed

The Ohio senate has passed a bill requiring motorists who have been convicted of manslaughter as a result of an automobile accident, of operating an automobile while under the influence of liquor or narcotics, or violations of other major infractions of the motor laws, to carry liability insurance for three years.

Boy, 13, Awarded \$5,000 Judgment for Dog Bite

William C. Koehler, 13-year-old St. Louis newsboy, has been given a judgment for \$5,000 against Mr. and Mrs. Henri Chouteau of that city, for injuries received when he was bitten by a dog at the Chouteau home. He had gone to the residence to deliver a package of ice cream from a neighborhood drug store. He sued for \$20,000, alleging that the attack by the police dog had caused insomnia and a nervous affection of his eyes.

Companies Study Current Questions

Casualty and Surety Committees of General Conference With Van Schaick Continue

BANK RESUMPTION HELPS

Depository Bond Situation Continues Chief Cause of Concern Pending Reorganization Work

NEW YORK, March 15.—Following the general conference of casualty and surety underwriters with Superintendent Van Schaick here March 8, several meetings have been held by both the casualty and the surety committees appointed at the time to consider measures for handling their particular problems. The chief concern of the casualty men was whether payment for compensation claims would be allowed in the same manner as wages by the banks during the holiday period. The reopening of banks over the country in increasing number answered the question, as did also a ruling in favor of such procedure by the Washington authorities.

Depository Bond Question

The issue with surety companies, one which is still serious, though not so acute as formerly, relates to depository bonds and the attitude thereto that may be taken by fiscal powers at the capital. The opening of so many banks and trust companies already and assurance that many more will speedily resume operations has eased the tension considerably.

The chief concern is as to what percentage of the institutions will be unable to meet requirements of the Treasury department and home banking departments as a condition precedent to reopening. Happily, the banks about which there might be a question are for the most part small, and depository bonds covering their accounts are not numerous. There is no blinking the fact, though, that some institutions of goodly size may find a percentage of their assets "frozen" to a degree which will preclude resuming operations for a time, and may even compel complete reorganization or even retirement.

Causes Some Uneasiness

The extent to which this may occur, and the position in which surety companies would be placed in consequence is the question with which company officials are struggling and which will cause them uneasiness until the situation develops finally.

During the period of bank holidays some surety companies shut down entirely in their consideration of contract bond offerings, fearing lest contractors, though possessed of ample funds in banks, would be unable to draw upon them for meeting payrolls and thus de-

(CONTINUED ON PAGE 30)

Claim Pressure Is Strong Against Companies Today

ALL SORTS OF DEMANDS MADE

President Reiter of the Illinois National Casualty Comments on the Difficulties

T. H. Reiter, president of the Illinois National Casualty of Chicago, in commenting on the claim situation states that he has never seen a time when there is so much demand on companies to pay claims of all kinds. Many people are hard pressed and are seeking avenues to get money. Therefore claims of all sorts are being improvised against insurance companies, transportation companies and any other corporation or person if the claimants think they can extract a few dollars. The situation is highly aggravated, according to President Reiter, because of a large number of attorneys whose regular practice has greatly diminished and they have become personal damage lawyers. They endeavor to build up a claim whether it is legitimate or not. Very often they will endeavor to swing a purely property damage loss into a personal injury claim and demand a comparatively large sum. These attorneys are simply hungry for money.

President Reiter said that one of the temptations of the day is to compromise claims aggressively pressed. Some lawyers practically sell out their clients even on decent claims. However, if the company becomes known to be easy money it is made a target for all sorts of claims. President Reiter personally therefore looks after all claim settlements and endeavors to see to it that his company is not imposed on. The number of claims, of course, has greatly increased. The difficulty is sifting out the just from the unjust claims.

Plate Glass Smashers Are Sentenced to Year in Jail

Three plate glass smashers in Chicago, who many months ago were caught in the act and through political influence were able to stave off punishment, pleaded guilty to malicious damage the other day and were sentenced to a year each in jail. Their counsel immediately filed motion in criminal court for probation. This is the only conviction of importance in this line ever secured in Chicago according to insurance men.

The malicious damage losses have been painfully high for many months, reaching their zenith only recently when one underwriter reported breakage of two huge plates on one risk within a week, the second being replacement of the original plate. These were 18 foot plates and cost about \$300 each. One of the great plates in Marshall Field's show windows was broken only a few days ago by a gang of thieves who threw an iron bar through the window at night and stole merchandise valued at several thousand dollars. This plate cost the carrier over \$500.

Wisconsin Law Upheld

MADISON, WIS., March 15.—Validity of the compulsory feature of the workmen's compensation act was upheld by the circuit court here in the case of the Montello Granite Co. against the industrial commission and William Campion.

The court held that the law is "apparently a reasonable, desirable and valid exercise of the police power of the state."

The All-Ohio Safety Congress, which was to have been held in Columbus April 25-27, has been indefinitely postponed.

NEWS OF THE COMPANIES

Underwriting Is Concentrated

Central West Casualty Will Centralize All Its Departments Under One General Head

The Central West Casualty of Detroit has centralized its underwriting, covering all lines of casualty business instead of having individual departmental handling of lines as it has in the past. In the near future, the position of general underwriter will be created for the entire company. The number of directors has been reduced from 15 to 8, the eight now consisting of F. H. Alfred of Detroit, director Commonwealth-Commercial Savings Bank; F. W. Blair of Detroit, president Union Joint Stock Land Bank and vice-president Russell Wheel & Foundry Co.; H. J. Kennedy, first vice-president Central West Casualty; Dr. A. V. Holmes, Detroit physician; W. R. Kales of Detroit, vice-president Whitehead & Kales Co.; Hal. H. Smith, president Central West Casualty; E. C. Wetmore of Detroit, and J. T. Winship of Battle Creek, Mich., former Michigan insurance commissioner. The officers elected are as follows: Hal. H. Smith, president; Armstrong Crawford, executive vice-president; H. J. Kennedy, vice-president; Hal. H. Smith, Jr., secretary-treasurer; L. P. Schaff, assistant secretary-treasurer.

Three Vice-presidents Resign

Vice-presidents W. E. Snyder, W. M. Ames and T. J. Lyman have resigned. Mr. Snyder was in charge of the burglary and bond department. He joined the Central West five years ago. Previously he was connected with the Columbia Casualty at the New York head office. Mr. Ames was in charge of the automobile department. Thirteen years ago he joined the Michigan Automobile, from which sprang the Central West. Mr. Lyman has been with the Central West eight years. He was in charge of compensation and public liability. He was formerly connected with the Zurich in Chicago and then with the Michigan Insurance Agency of Detroit.

Armstrong Crawford, executive vice-president of the Central West Casualty, held a meeting in Chicago Tuesday for about 30 general agents of the company in Illinois and Wisconsin. He explained the changes that have been decided upon in the operations of the company and analyzed its condition. Later, Mr. Crawford plans to visit other cities for conferences with general agents.

Changes to Home Life

The National Standard Accident of Houston, Tex., has changed its name to the Home Life Assurance Company. President J. L. Mistrot said that it was advisable to make the change as the name was in conflict with the National Standard Life, both being chartered to write life, health and accident.

Dividends Are Omitted

Because of disturbed business conditions, the National Casualty has passed its dividend to stockholders. This is the first time dividends have been omitted in 28 years.

Employment Carrier Enjoined

MADISON, WIS., March 15.—Judge Hoppman has issued a permanent injunction against the Metropolitan Employment Insurance Bureau of Racine which is now permanently restrained from soliciting any business, making any collections for the alleged unemployment protection it offers or disbursing any funds in its possession.

The company did not appear in court to oppose the action. The sheriff reported the telephone had been removed

from its office in Racine, and he was unable to locate G. S. Paine, secretary-treasurer. E. E. Dickinson, Milwaukee, was president and F. R. McFarland, Racine, vice-president.

Massachusetts Bonding Returns

The Massachusetts Bonding in its annual statement shows assets \$16,423,411 of which \$719,264 is cash, \$2,658,167 government and municipal bonds, \$4,692,346 in railroad, public utility and other bonds, \$2,327,752 railroad and public utility stocks, \$2,117,100 bank stocks, \$1,193,858 real estate. The claim reserve is \$4,506,173, premium reserve \$3,966,077, contingency reserve \$1,281,186, capital \$4,000,000, net surplus \$2,000,000.

Inter-Ocean Casualty Capital

The Inter-Ocean Casualty of Cincinnati has reduced its capital from \$200,000 to \$100,000, transferring \$100,000 to surplus. The net surplus is now \$43,994, assets \$553,146.

The United Indemnity of Los Angeles is reinsuring all its new business in the Chicago Lloyds.

Equitable Life, N. Y.—Assets, \$1,471,697,007; inc. in assets, \$71,464,259; unearned prem., \$547,649; loss res., \$3,915,026; non-canc. A. & H. res., \$1,593,248; surplus, \$64,208,603; inc. in surplus, \$4,442,854. Experience:

	Premiums	Losses
Accident	\$ 219,920	\$ 122,716
Health	991,005	655,472
Non-canc. H. & A.	1,022,744	1,221,953

Inter-Ocean Cas., O.—Assets, \$553,147; dec. in assets, \$89,718; unearned prem., \$215,297; loss res., \$124,494; capital, \$200,000; surplus, \$56,007; dec. in surplus, \$80,056. Experience:

	Premiums	Losses
Accident and health.	\$1,131,107	\$ 618,835

Federal Life & Cas., Mich.—Assets, \$764,786; dec. in assets, \$63,923; unearned prem., \$74,550; loss res., \$65,712; capital, \$450,000; surplus, \$127,656; dec. in surplus, \$16,885. Experience:

	Premiums	Losses
Accident & health.	\$ 742,198	\$ 297,714

Oregon Automobile—Assets, \$330,932;
(CONTINUED ON PAGE 31)

Vice President



H. P. LINN

H. P. Linn, for the past year and a half in charge of the bonding department of the Central Surety of Kansas City, has been made a vice-president of that company. Before going to Kansas City he was manager of the Chicago branch office of the Home Indemnity.

What Is Total Disability? Topic of A. & H. Claim Men

EXECUTIVE OFFERS ADVICE

Holton of Great Northern Life Urges Claim Men Adjust According to Policy Provisions

Speaking on "What Constitutes Total Disability," C. R. Holton, vice-president and counsel of the Great Northern Life, told the Chicago Claim Association that while the courts have been extremely liberal in defining total disability under an accident and health policy, a misconception as to the extent of this liberality has arisen by reason of the statements made by commentators and text writers, which give a broader interpretation to these decisions than the language used by the courts warrants and fail to go into the real facts of the case. They say in substance that a man is totally disabled if he is not able to perform all of the duties of his occupation in the usual and customary way. He said it is possible to set aside this misconception by a careful analysis of the decisions and told of a Michigan case in which he has accomplished that result. He referred to the variation between policies as to covering for "his occupation" or "any occupation," but confined his remarks to the provision for "his occupation."

Mr. Holton's own idea, which he backed up by quotations from the same decisions that have been referred to in upholding the broader view, is that if a man is able to perform some of the substantial acts of his occupation, he is not totally disabled. He pointed out, however, that the question of total disability depends somewhat on the nature of the insured's occupation. In the case of specialized occupations, such as a barber or dentist, any injury to the right hand might disable him totally from carrying on his occupation. Another factor which should be taken into consideration is found in the rulings in regard to the "exercise of due care and caution," when a man desists from labor in order to effect a more speedy cure as is held to be totally disabled during that period.

His advice to claim men was to adjust claims in accordance with the wording of their policies, whatever that might be, and not worry so much about the effect of court rulings unless that question is raised.

Bank Robbery Increase Is Rejected in New York State

NEW YORK, March 15.—The increase in bank robbery rates for the first \$10,000 of insurance on New York banks has been rejected by Superintendent Van Schaick. The National Bureau of Casualty & Surety Underwriters submitted the proposal last November on account of the excessive country-wide loss ratio, which was 113 percent in 1930 and 104 percent in 1931.

In the territory which includes New York the loss ratio for five years was 31 percent, although increases were shown in 1930 and '31. New York state has had a low loss ratio, the New York department pointed out, in its objection to the proposed new rates.

Superintendent Van Schaick also handed down a ruling warning the Standard Accident against further violations of rates and rules through negligence. Superintendent Van Schaick also directed it to correct its policy declarations used in the writing of automobile insurance to conform to the requirements of its filed manual rates.

Application for withdrawal from California has been made by the North American Inter-insurers of New York, which cancelled all policies as of Jan. 24, 1933; the Pawtucket Mutual Fire and the National Mutual of Celina, O.

Michigan Treasurer Seeks Inquiry on Wayne Surety

UP TO ATTORNEY-GENERAL

State Officials Reported to Have Had Part in Founding—President Smith in Statement

LANSING, MICH., March 15.—State Treasurer Fry has asked Attorney-General O'Brien to conduct an investigation into reports that certain state officials had a part in conceiving the organization of the Wayne Surety, running mate of the Central West Casualty, Detroit. The Wayne Surety, Mr. Fry said, undertook to guarantee \$2,800,000 in public funds deposits in various Michigan banks, although it had, when organized in November, 1932, a capitalization of only \$250,000, the minimum required by law, and a \$25,000 surplus.

Was Previously Criticized

He believes that losses in excess of the responsibility of the company will occur and he asks the attorney-general to determine if there is any chance of recovering, in such event, on the bonds of the officials he claims were indirectly responsible.

Mr. Fry on several occasions criticized the operations of the Wayne Surety, citing its inadequate resources in comparison with the huge volume of its liability. The company also came in for criticism at the mid-year meeting of the Michigan Association of Insurance Agents here Feb. 14, the day the state banking moratorium was declared.

PRESIDENT SMITH'S STATEMENT

DETROIT, MICH., March 15.—Commenting on the reported request of State Treasurer Fry that the attorney-general investigate the Central West Casualty and Wayne Surety of Detroit, Hal H. Smith, Sr., president of the two carriers, said: "We have not been informed that any investigation was contemplated, but we will welcome any checkup the attorney-general cares to make. We have written bonds on a number of Michigan banks in which state funds are deposited. Some of these banks will undoubtedly open for business shortly and others probably will not.

"It is not known yet whether there will be liability on the part of the companies writing these bonds. Many of these bonds were approved by the state treasurer and all are a matter of public record. We have been in constant consultation with the Michigan insurance department in connection with these depository bonds and they have been written with the full knowledge and consent of the department. We have nothing to fear from any sort of investigation."

New York Bank Guaranty Plan

ALBANY, N. Y., March 15.—The senate banking committee will today report favorably on the Dunnigan bill, requiring all state and private banks in New York to contribute to a fund for guaranteeing deposits. It stipulates that 5 percent of the deposits of each institution be contributed, payment to be half cash and the balance in easily negotiable securities. The large metropolitan banks, it is anticipated, will vigorously oppose the measure, contending that its purpose is to bolster up small and weak institutions.

Tumblety Boston Speaker

P. E. Tumblety, home office representative of the Columbian National Life, spoke at the March meeting of the Boston Life & Accident Claim Association on methods used to combat frauds attempted against insurance companies.

Late News from the Casualty Field

Seek Nebraska Trusteeship in Union Indemnity Claims

LINCOLN, NEB., March 15.—Action has been begun jointly by the Independence Indemnity and the attorney general against the Union Indemnity, now in receivership, to provide for an equal division of the proceeds of the \$50,000 bond the Independence signed in 1931 to guarantee payment of all claims against the Union. A trustee will be named, with whom claims for unearned premiums and unpaid losses will be filed. The Independence Indemnity says suit has already been begun by several creditors, and that it is ready to pay whatever it is found liable for, up to the amount of the bond.

Mutual Pays Cash on Claims

The Lumbermen's Mutual Casualty of Chicago maintained workmen's compensation claim payments on the regular basis during the week of the national bank moratorium, employees of policyholders covered for compensation being paid in cash on their claims in all the principal disbursement centers used by the mutual.

New Cancellation Clause Approved

CLEVELAND, March 15.—The Cleveland Surety Club has succeeded in securing permission from Federal Judge Jones to adopt a new form of depository bond covering bankruptcy funds, which permits the surety to cancel on 30 days notice. This notice is subject to approval by judges of the court and the court clerk. It is believed that the ruling may set a precedent for other cities.

The club has postponed its March meeting until April but expects to continue its study of forgery problems, with Russell Bleeker, attorney for London Lloyds, as the speaker.

Harriman National Bonds

NEW YORK, March 15.—Depository bonds of \$600,000 are held on the Harriman National Bank & Trust Co. of this city, for which a conservator was named Monday. New York state money on deposit in state banks constitutes a preferred claim in the event of failure, the condition, however, not applying to institutions chartered by the federal government.

Beha and Whitney Speak

J. A. Beha, general manager, and A. W. Whitney, associate general manager of the National Bureau of Casualty & Surety Underwriters, addressed the police accident school in New York City Monday night and again Tuesday afternoon. Mr. Beha spoke on the "Economic Cost of Accidents" while Mr. Whitney's subject was "How to Teach Safety."

May Ask Surety Legislation

COLUMBUS, O., March 15.—Governor White may ask the legislature to pass legislation giving surety companies operating in this state the same protection that has been provided for banks and insurance companies. Some authorities are of the opinion that the broad powers vested in the insurance department in regard to insurance companies do not cover surety companies.

Washington Guest Bill Signed

A bill releasing owners of motor vehicles from responsibility for injuries sustained by guests became a law in Washington with the signature of the governor.

Surety Companies Selective in Choosing Companions

ARE SOLICITOUS AS TO SOME

Failure of the Union Indemnity and Southern Surety Has Caused Underwriters Uneasiness

Banks and other important financial and business enterprises are scrutinizing very carefully new financial statements of casualty and surety companies. Recently some institutions have demanded the names of reinsuring companies where a single company carries a large bond and then an attempt has been made to get the reinsurers to sign an agreement to pay direct to the bond holder in case the primary company fails and is not able to meet its obligations. It is claimed that some companies have done this but others have refused, taking the position that if the primary company fails the receiver might come back on a reinsuring company for payment and thus force a double payment.

While companies of undoubted standing will take reinsurance from a company concerning which there may be some doubt as to its permanency, they are not very free to cede reinsurance, being afraid that it may collapse and the original company therefore might be caught for a large liability. Owing to this solicitude, especially following the failure of the Southern Surety and Union Indemnity, many surety companies are being very "choosy" with relation to reinsurance and sometimes with cosurety, especially where the person or corporation bonded may not be too strong financially. Almost all cosureties are jointly and severally responsible. If, therefore, a company fails the remaining cosureties have to make up its loss. Some companies lost heavily on some bonds where they were cosurety with the Union Indemnity. The more discreet companies had kept the Union Indemnity off the list about 18 months before it failed as they foresaw disaster ultimately coming. Since the Union Indemnity collapse there has been a more careful selection made of companies because no office is willing to take any great chance.

Puts Carrier on Same Basis

LANSING, MICH., March 15.—A measure which would put mutual and stock casualty carriers on the same basis as regards renewing or canceling compensation lines was offered in the house during the past week by Representatives L. T. Barber, Edmore, and J. M. Wilson, Kalamazoo agent and member of the house insurance committee. Under the new bill all carriers would be forced to insert cancellation provisions in policies. The uniform rule would be 15 days' written notice for both insured and insurer. The measure further provides that coverage shall automatically lapse immediately with expiration if there has been no renewal. Another provision limits the term for compensation business to one year. The rules apply, of course, to carriers collecting a premium or assessment in advance.

Burglary Hazard Increased

Some casualty companies have canceled off burglary risks involving holdup where there are no banking facilities in a place, the banks having been closed on account of business conditions. Messengers have to go to some town five or six miles away to get currency. It becomes generally known to robbers that these journeys are made and hence they lay in wait for victims. Furthermore merchants and people in general in towns where there are no banks carry more money than usual, either in a safe or in some less secure place.

Application in Marine Form Useful in Adjusting Loss

LAWSON MAKES EXPOSITION

Fireman's Fund Manager Tells Chicago Burglary Club Details of Comprehensive Form

The application, an underwriting requirement in the household comprehensive form, or personal property floater, is of great assistance in adjusting losses, due to the psychological factor that values have been set down by the assured and this puts a curb on his revision of values upward when loss occurs, E. D. Lawson, western marine department manager Fireman's Fund, Chicago, told the Burglary Underwriters club there at the March meeting.

What Marine Form Requires

Marine companies require carrying 80 percent insurance to value, and it is probably true that many assureds figure their values close to reduce the premium. Mr. Lawson said that there is no co-insurance requirement under the standard burglary policy issued by casualty companies. Risks coming under the minimum premium are not so desirable for the comprehensive form. Another strong feature of the comprehensive form, he said, was that such hazards as vandalism, spilling of liquids, mysterious disappearance, etc., were covered under the all-risks basis of the policy.

Mr. Lawson pointed out that there is a public demand for a large variety of coverages in one contract and the marine companies felt it was their duty to give the public the forms it demanded. He compared the new burglary form issued by casualty companies giving worldwide cover on jewelry and furs, with the all-risks jewelry form, declaring the latter gives more cover for the same premium. He said casualty companies shied away from all-risks jewelry and fur forms, silverware and personal effects floaters, all-risks jewelers' block and furrers' customers' forms, but the marine companies have successfully underwritten these for a long time. The casualty companies now are writing coverages which they never would have considered in the past.

No Depository Edict Issued

HARTFORD, March 15.—Commissioner Dunham of Connecticut has not issued any edict with regard to depository bonds in view of the banking emergency. The state department feels that the liability of a surety company would be questioned where a bank opens on a restricted basis. Surety men in Hartford give it as their opinion that a company would not be liable for any but the ultimate loss.

May Abolish Missouri Commission

The workmen's compensation committee of the Missouri house reported favorably a bill to abolish the state compensation commission. A senate committee recently reported favorably a senate bill to abolish the commission and vest its powers and duties in one commissioner to be appointed by the governor.

Pass Claim Liberalization Bills

The house of the Illinois legislature has passed the two bills by Representative Borders, one giving jurisdiction to justice courts in personal injury cases up to \$500, and the other jurisdiction to county courts in similar cases up to \$2,000. These are considered dangerous by insurance men, as paving the way to filing many claims, but there is a chance the bills may be killed in the senate. The house bill, making accident and casualty companies co-defendants, has been amended and is on third reading.

CHANGES IN CASUALTY FIELD

Opens Ohio Service Offices

Maryland Casualty's Cleveland Branch Extends Organization to Toledo and Youngstown

CLEVELAND, March 15.—The Cleveland branch office of the Maryland Casualty under Manager Edward Sweet has opened two service branches at Toledo and Youngstown. H. F. Dudley is in charge of the Toledo office, 1321 Ohio Bank building. He was formerly in charge of the surety department in Cleveland. John Klingler is manager of the Youngstown office, 1014 Union National Bank building. He was formerly manager of the casualty department of the Southern Surety in Pittsburgh. A service branch had previously been opened at 622 Beggs building, Columbus, under John Gillespie, Jr., who was at one time manager of the surety department in Cleveland.

Fred R. Pease, former resident manager of the Glens Falls Indemnity and previously with the Massachusetts Bonding, has just been appointed assistant branch manager of the Cleveland office.

Cannon Utah General Agent

Dan Cannon of Salt Lake City has been appointed general agent for Utah of the North American Accident, to succeed Lisle Smith, who becomes insurance commissioner of Utah April 1. He has been Mr. Smith's right hand man for some time and is well qualified to take over the work.

Whittemore Succeeds Libby

John S. Wittemore, who has been a director of the Commercial Travelers

Eastern Accident of Boston and Commercial Travelers Boston Benefit, has been selected to succeed the late Ira F. Libby as secretary-treasurer of those organizations. He has also succeeded Mr. Libby as secretary of the International Federation of Commercial Travelers Insurance Organizations. H. E. Trevvett of the Commercial Travelers Mutual Accident of Utica is president of the federation.

Get the American Motorists

Chris Schroeder & Son Co., leading general agents of Milwaukee, announce their appointment as Wisconsin general agents of the American Motorists of Chicago. They also represent as general

agents the Hartford Steam Boiler, Massachusetts Bonding and Merchants Indemnity of New York.

Gets Standard Surety on Coast

Merle D. Smith has been appointed Los Angeles general agent for the Standard Surety & Casualty. He was for five years resident vice-president of the Union Indemnity in southern California. L. H. Angell, formerly with the International Indemnity and Union Indemnity, and R. M. Brown, former chief underwriter for the two companies, are associated with Mr. Smith in the new agency.

J. E. Hough Resigns

J. E. Hough, assistant secretary in the claim department of the Commercial Casualty at the home office, has resigned effective March 31.

CASUALTY PERSONALS

H. A. Glasgow, vice-president Continental Casualty directing the Chicago branch office; E. L. Grant of R. W. Hyman & Co., general agent Continental Assurance, and Mrs. Grant chose an auspicious day, March 4, to inaugurate a motor trip to Florida. They will remain on vacation near Miami a month.

C. M. Nichols, president Belt Casualty of Chicago, is in Los Angeles with Mrs. Nichols where they will remain a month on a combined business and pleasure trip. Mr. Nichols is visiting agencies there.

About 100 agents attended a dinner in Louisville, in celebration of the 10th anniversary of the founding of the Louisville branch of the Aetna Casualty & Surety. Henry Taylor of Henderson

was chairman of arrangements. J. R. Falconer, Louisville manager, was presented with two birthday cakes.

W. R. C. Corson, president of the Hartford Steam Boiler, was in New York ten days ago, preparing to sail for Bermuda, but canceled his trip and returned to Hartford because of the banking situation.

A. Duncan Reid, president Globe Indemnity, was tendered a dinner in Newark Monday evening by a number of his associates in honor of his 60th birthday.

Harold A. McKay, agency assistant in the home office of the Travelers since Sept. 1, 1929, has been promoted to assistant superintendent of agencies, cas-

N. Y. Bill Designed to Aid Casualty People in Crisis

Execution would not be issued or enforced against a casualty and/or surety company upon a final judgment, not otherwise stayed, until 90 days have elapsed after the original docketing of the judgment, under the terms of a bill introduced in the New York legislature by A. H. Garnjost, chairman of the assembly insurance committee. Compensation awards are excluded from the operation of this bill.

The measure was introduced on the theory that companies would be seriously embarrassed if they should become immediately liable for judgments for large sums because of inaccessibility of bank accounts and the curtailment of premium income because accounts of agents in banks throughout the country are tied up. This is an emergency measure and would be in force for only one year.

Seattle Accident-Health School

The Accident & Health Club of Seattle will stage an accident and health school April 3. Those in charge of the program are President C. W. Rogers, Business Men's Assurance; Mrs. M. G. Closser, National Casualty, and C. L. Burt.

Increases Rate on Renewals

The Missouri State Life effective April 1 will apply to renewals of certain accident policies the increased rates applied to new business as of Sept. 1, 1932.

He is a graduate of Brown University and has been with the Travelers 14 years. He served as assistant manager at Minneapolis and manager at St. Paul, Montreal and Rochester before being called to the home office.

MASSACHUSETTS BONDING AND INSURANCE COMPANY

Home Office, Boston, Massachusetts—T. J. Falvey, President

Financial Statement, December 31, 1932

ASSETS

Cash in Office and Banks.....	\$ 719,264.07
Government, State and Municipal Bonds	2,658,166.54
Railroad, Public Utility and Other Bonds	4,692,345.60
Railroad and Public Utility Stocks.....	2,327,752.00
Bank Stocks	2,117,100.00
Miscellaneous Stocks	163,588.00
Premiums in Course of Collection (not over 90 days).....	1,863,832.53
Real Estate	1,193,858.14
Real Estate Mortgages.....	154,776.00
Accrued Interest, Collateral Loans and Other Assets	532,727.87

Total Admitted Assets..... \$16,423,410.75

LIABILITIES

Reserve for Claims.....	\$4,506,172.97
Reserve for Unearned Premiums..	3,966,077.22
Reserve for Commissions on Uncollected Premiums	403,401.69
Reserve for Taxes and Sundry Accounts	266,572.45
Contingency Reserve	1,281,186.42
TOTAL	\$10,423,410.75
Capital fully paid in	\$4,000,000.00
Surplus over all Liabilities.....	2,000,000.00
Surplus to Policyholders.....	6,000,000.00
TOTAL	\$16,423,410.75

Transacts Business Throughout the United States and Writes

FIDELITY & SURETY BONDS & CASUALTY INSURANCE

Chicago Branch Office
Ogden Davidson, Manager
1919 Insurance Exchange
Telephone: Wabash 8645

Ohio Department
George E. Lonergan, Manager
906 Citizens Building
Telephone: Cherry 8094-8095
Cleveland

J. M. Barkdull and Company
General Agent
210 Hazen Building
Telephone: Parkway 8100
Cincinnati, Ohio

Stimulation

When courage is low and odds are great the stimulation of
a helpful and aggressive company like the Lloyds
Insurance Company is of untold worth to the agents
in the field. Experienced men that know
how to face the problem of the day
will be glad to show you the way
when the going is rough.

LLOYDS INSURANCE COMPANY OF AMERICA

CONSOLIDATION OF LLOYDS CASUALTY COMPANY, CONSTITUTION INDEMNITY COMPANY, DETROIT FIDELITY AND SURETY COMPANY

75 MAIDEN LANE, NEW YORK CITY

Companies Study Current Questions

(CONTINUED FROM PAGE 25)

lay work in hand and become subject to penalty impositions. The reopening of the financial institutions has removed fear in this connection and companies as a rule are once more issuing contract covers upon desirable contract offerings. Contrary to general expectations, there has been a marked dearth of legislative measures proposed in the states dealing with either casualty or surety affairs. The average legislator apparently appreciates that the present is no time for the enactment of new laws other than those needed to clarify conditions.

Won't Cancel Sheriffs Bonds

JACKSON, MISS., March 15.—The National Surety has given definite assurance that it will not cancel the 80 odd surety bonds issued on sheriffs in Mississippi. When sheriffs and tax collectors, due to the bank situation, were ordered to desist from foreclosure of lands for past due taxes on April 3, according to Mississippi law, several newspapers reported that surety companies

would cancel their bonds. Meantime, the attorney general held that sheriffs and tax collectors would incur no criminal or civil liability for failure to hold the scheduled tax sales.

Joint Meeting at Los Angeles

LOS ANGELES, March 15.—The Casualty Association of Los Angeles held a joint meeting with the Southern California Bureau of Casualty & Surety Underwriters, addressed by R. E. Laley, Pacific Coast manager National Bureau of Casualty and Surety Underwriters. The sectional committee of the bureau was elected, composed of the Aetna Life group, Maryland Casualty and Ocean Accident.

Stone Speaks in Minneapolis

MINNEAPOLIS, March 15.—E. C. Stone, United States manager Employers Liability, declared that safety responsibility acts afford greater protection to people injured in automobile accidents than is possible under compulsory insurance laws, in addressing a meeting of insurance men here Wednesday on "Automobile Financial Responsibility Laws." The Minneapolis Civic & Commerce Association sponsored the meeting in cooperation with

the Blue Goose, the Insurance Club of Minneapolis and other organizations.

Chicago A. & H. Club Meeting

The March meeting of the Accident & Health Club of Chicago, to be held next Monday, will consist of a business session and a round table discussion led by F. W. McIntosh, Monarch Life. D. C. MacEwen, vice-president Pacific Mutual Life, who had been expected to speak at this meeting, found it impossible to stop over in Chicago on his way back to the coast as he had expected.

Plan Chicago Sales Conference

Directors of the Accident & Health Club of Chicago have decided to hold another sales conference May 3. The place has not been decided upon, but a room will be secured that will hold from 700 to 1,000 people, in view of the fact that so many were turned away from the first sales conference on account of being unable to get into the room where it was held. As before, it will be limited to an afternoon session and the same committee which was responsible for the notable success registered by the former conference will again be in charge.

Fidelity-Surety Activities

Stolen Property Issue Up

Interesting Case Where Ransom Was Paid for the Return of Securities Taken

An interesting case has been decided in the United States district court, eastern district, in Fidelity & Deposit vs. Grand National Bank of St. Louis. The F. & D. had a blanket bond and on May 25, 1930, the bank was robbed. The property covered by the bond was cash amounting to \$46,896 and bonds \$236,950. The F. & D. settled the claim by paying the bank \$125,000. Afterwards the bonds, but not the cash, were returned. The F. & D. brought action to recover the amount of the loss paid by it, less the amount of cash which was not recovered. Negotiations led to the recovery of the stolen securities in December, 1930, and continued until Feb. 20, 1931, when the property was returned. Offers and counter offers were carried back and forth from the agents of the robbers to the president of the bank until the bank agreed to pay and the robbers accepted \$140,000 for the return of the bonds.

The court says that the F. & D. did not agree to pay any part of the ransom but that is not of particular importance. Both the F. & D. and the bank, the court says, having a pecuniary interest, mutually and jointly consummated the recovery, and are equally responsible for participating in that transaction. The court declares that regardless of whether the parties compounded a felony or became accessories after the crime, they consummated a transaction that cannot be justified under the law. Under the circumstances the court says the law affords no relief to either party but leaves them in the position they had placed themselves.

Meet for Final Action

MILWAUKEE, March 15.—Final action on organizing the new Milwaukee Board of Casualty & Surety Underwriters is expected to be taken at a meeting of interested agents and managers at the rooms of the Milwaukee Board of Fire Underwriters March 17. A number of meetings for preliminary organization have been held and a constitution and by-laws drawn up for consideration.

Apprehension as to Bonds

During the moratorium, some companies expressed apprehension in connection with feed, freight and service charge bonds given by commission men to the Chicago Stock Yards Company and in connection with bonds guaranteeing the net payment by commission men for live stock purchased from the farmer.

The latter bond is construed by some to have indirect depository liability, because if the commission man's bank fails, he might not be able to pay and consequently liability might arise.

The feed, freight and service charge bond is given by the commission men to guarantee payment of such charges to the stock yards company. Bills must be paid about every three days. Consequently, the sureties were apprehensive during the period of the moratorium.

Much fear was allayed when the Chicago Live Stock Exchange was closed for a few days and the packers conducted a direct cash business with the farmers. Some of the surety companies are reported as having given notice of intention to cancel some of these bonds.

Coml. Travelers Mut. Acci. Assn., N. Y.—Assets, \$2,288,338; dec. in assets, \$472,418; loss res., \$1,159,992; surplus, \$328,676; dec. in surplus, \$372,701. Experience:

	Premiums	Losses
Accident	\$4,200,624	\$3,653,599

The "London Guarantee" Offers

Dependability

For sixty-four years the "LONDON GUARANTEE" has fulfilled every obligation to its agents and policyholders—whether for protection or service.

Security

No business crisis, past or present, has affected the strong financial structure of this world-wide institution.

Established in 1869, the "London Guarantee" is one of the oldest and strongest casualty companies in the world.

London Guarantee & Accident Company, Ltd.
J. M. HAINES, U. S. Manager
55 FIFTH AVENUE, NEW YORK, N. Y.



The Sign of Good Casualty Insurance

NEWS OF THE COMPANIES

(CONTINUED FROM PAGE 26)

unearned prem., \$101,542; loss res., \$29,881; capital, \$100,000; surplus, \$98,409. Experience:

	Prem.	Losses
Accident	3,460	496
Auto liability	114,312	75,679
Auto fire	9,364	4,670
Bonds	1,478	371
Auto theft	9,380	2,107
Cargo	4,245	1,387
Auto prop. damage	45,028	18,452
Auto collision	22,746	10,673
Other P. D. and Coll.	1,528	170
Total	\$ 211,545	\$ 114,095

Alliance Casualty, Pa.—Assets, \$5,053,158; dec. in assets, \$130,823; unearned prem., \$1,426,900; loss res., \$324,195; liab. res., \$850,672; comp. res., \$385,738; capital, \$1,000,000; surplus, \$502,734; dec. in surplus, \$217,777; secur. fluc. res., \$287,393. Experience:

	Prem.	Losses
Accident	85,682	33,041
Health	15,356	8,019
Auto liability	982,999	540,732
Other liability	305,615	181,986
Workmen's comp.	285,146	314,943
Fidelity	234,440	92,564
Surety	130,459	122,325
Plate glass	71,896	30,475
Burglary and theft	216,999	74,596
Auto prop. damage	318,138	134,280
Auto collision	18,712	18,728
Other P. D. and Coll.	15,299	3,037
Other lines	7,121	1,020
Total	\$2,687,862	\$1,505,746

Indem. North America—Assets, \$16,443,319; dec. in assets, \$935,988; unearned prem., \$5,078,639; loss res., \$1,417,574; liab. res., \$2,870,096; comp. res., \$2,291,154; capital, \$1,000,000; surplus, \$1,144,433; inc. in surplus, \$597,687; secur. fluc. res., \$1,792,018. Experience:

	Prem.	Losses
Accident	250,656	231,080
Health	56,009	48,340
Auto liability	3,512,629	2,542,541
Other liability	1,056,370	584,655
Workmen's comp.	1,246,905	1,611,922
Fidelity	1,291,568	639,995
Surety	534,237	524,407
Plate glass	209,649	84,685
Burglary and theft	603,920	199,519
Auto prop. damage	1,052,400	436,706
Auto collision	76,785	50,399
Other P. D. and Coll.	52,688	7,376
Water damage	14,916	3,881
Total	\$9,958,732	\$6,965,506

Car & General—Assets, \$2,537,571; dec. in assets, \$112,707; unearned prem., \$553,466; loss res., \$88,190; liab. res., \$473,584; comp. res., \$110,440; U. S. deposit, \$500,000; surplus, \$352,530; dec. in surplus, \$10,980; contingency res., \$310,289. Experience:

	Prem.	Losses
Auto liability	653,670	367,681
Other liability	56,601	20,659
Workmen's comp.	177,308	128,636
Plate glass	25,860	20,739
Burglary and theft	36,823	16,467
Auto prop. damage	215,931	95,642
Auto collision	15,861	9,491
Other P. D. and coll.	2,979	338
Live stock	75,905	57,860
Total	\$1,260,943	\$717,515

New Amsterdam Cas.—Assets, \$23,815,377; dec. in assets, \$1,147,231; unearned prem., \$5,709,268; loss res., \$2,537,739; liab. res., \$4,345,025; comp. res., \$2,427,720; capital, \$4,500,000; surplus, \$1,500,000; dec. in surplus, \$1,000,000; contingency res., \$1,544,326. Experience:

	Prem.	Losses
Accident	341,775	207,854
Health	67,663	43,722
Auto liability	3,846,797	2,064,646
Other liability	1,342,884	635,646
Workmen's comp.	2,329,310	1,969,969
Fidelity	1,525,188	923,170
Surety	962,939	1,109,397
Plate glass	297,885	127,097
Burglary and theft	593,371	319,748
Auto prop. damage	1,109,641	441,292
Auto collision	88,111	46,068
Other P. D. and coll.	41,217	9,655
Total	\$12,546,781	\$7,898,264

Motor Vehicle Cas., Ill.—Assets, \$639,378; inc. in assets, \$7,844; unearned prem., \$263,861; loss res., \$9,075; liab. res., \$55,000; capital, \$200,000; surplus, \$60,000; capital, \$200,000; surplus, \$60,000.

717; inc. in surplus, \$9,373; secur. fluc. res., \$10,000. Experience:

	Prem.	Losses
Auto liability	233,608	177,898
Auto prop. damage	96,741	30,133
Auto collision	21,357	13,510
Auto fire and theft	100,798	85,470
Total	\$ 512,504	\$ 307,011

Preferred Accident—Assets, \$8,495,065; dec. in assets, \$1,262,898; unearned prem., \$1,562,559; loss res., \$1,046,212; liab. res., \$1,665,990; comp. res., \$353; capital, \$875,000; surplus, \$1,035,399; dec. in surplus, \$1,148,675. Experience:

	Prem.	Losses
Accident	735,379	451,644
Health	105,494	56,141
Auto liability	1,894,952	1,189,129
Other liability	6,622	260
Workmen's comp.	—	—
Fidelity	295,432	205,358
Surety	8,523	589,452
Burglary and theft	182,918	70,949
Auto prop. damage	527,480	203,339
Auto collision	58,939	19,596
Other P. D. and Coll.	932	22
Total	\$3,816,662	\$2,785,890

Western & Southern, O.—Assets, \$2,701,227; inc. in assets, \$161,967; unearned prem., \$592,137; loss res., \$125,819; liab. res., \$363,264; comp. res., \$3,050; capital, \$500,000; surplus, \$1,006,657; inc. in surplus, \$81,473. Experience:

	Prem.	Losses
Accident & health	83,786	54,607
Auto liability	766,375	266,819
Other liability	48,081	8,132
Workmen's comp.	13,542	113
Fidelity	4,306	—
Surety	13,861	56,648
Plate glass	15,255	7,293
Burglary and theft	20,340	11,188
Auto fire	247	133
Auto prop. damage	279,108	94,937
Auto collision	73,709	82,011
Other P. D. and coll.	888	104
Tornado	—	32
Total	\$1,319,498	\$ 582,017

National Surety, N. Y.—Assets, \$47,597,724; inc. in assets, \$6,465,963; unearned prem., \$8,664,431; loss res., \$6,759,210; capital, \$3,000,000; surplus, \$6,000,000; dec. in surplus, \$1,751,754; contingency res., \$9,829,837. Experience:

	Prem.	Losses
Fidelity	\$6,018,892	\$2,729,029
Surety	3,643,171	3,919,135
Plate glass	94,302	48,068
Burglary and theft	2,587,226	1,323,396
Credit	1,023,472	607,517
Total	\$13,367,063	\$8,627,145

Phoenix Indemnity—Assets, \$5,018,220; inc. in assets, \$111,990; unearned prem., \$1,359,622; loss res., \$133,871; liab. res., \$1,053,295; comp. res., \$436,331; capital, \$500,000; surplus, \$731,559; inc. in surplus, \$372,386; secur. fluc. res., \$500,000. Experience:

	Prem.	Losses
Accident	123,904	63,808
Health	22,247	13,267
Auto liability	1,086,051	572,231
Other liability	438,001	128,255
Workmen's comp.	596,768	398,315
Plate glass	95,917	40,653
Burglary and theft	157,463	74,295
Auto prop. damage	343,874	143,217
Auto collision	18,718	8,371
Other P. D. and Coll.	12,077	2,393
Total	\$2,895,020	\$1,444,855

Inter-Ins. Ex. Chicago Met. Cl.—Assets, \$3,970,047; dec. in assets, \$596,282; unearned prem., \$1,006,454; loss res., \$779,999; surplus, \$2,178,055; inc. in surplus, \$6,700; secur. fluc. res., \$255,393. Experience:

	Prem.	Losses
Auto liability	995,785	674,433
Auto fire	62,538	47,611
Tornado	7,084	1,009
Auto plate glass	5,146	1,609
Auto theft	311,216	490,359
Auto prop. damage	327,441	154,180
Auto collision	303,699	262,639
Total	\$2,012,909	\$1,631,890

Ill. Mfrs. Mut. Cas. Assn.—Assets, \$1,102,824; dec. in assets, \$162,694; unearned prem., \$215,928; loss res., \$5,779; liab.



PROGRESS

Every twenty-four hours put some process out of date. Six months make many methods obsolete.

Changing standards, new developments bring demands for improved insurance coverage. Insurance cannot lag.

Continental, ever a leader, has consistently kept pace with demands of modern progress. Continental progressiveness is evidence of Continental DURABILITY.

CONTINENTAL CASUALTY ASSURANCE COMPANIES

CHICAGO



ILLINOIS

res., \$64,588; comp. res., \$356,403; surplus, \$427,135; inc. in surplus, \$1,728. Experience:	
Prem.	Losses
Auto liability	\$ 56,208 \$ 15,077
Other liability	39,912 4,799
Workmen's comp.	405,595 445,873
Auto prop. damage.	20,140 5,254
Auto collision	9,333 3,494
Auto fire and theft.	18,844 7,301
Total	\$ 550,034 \$ 481,799

First Reinsurance—Assets, \$2,550,089; dec. in assets, \$871,206; unearned prem., \$345,829; loss res., \$854,143; liab. res., \$478,906 comp. res., \$17,782; non-can. A. & H. res., \$62,675; capital, \$500,000; surplus,

\$505,023; dec. in surplus, \$74,834; secur. fluc. res., \$70,117. Experience:	
Prem.	Losses
Accident	\$ 298,922 \$ 433,878
Health	45,573 56,019
Non-canc. H. & A.	11,654 26,058
Auto liability	354,953 378,352
Other liability	246,381 132,210
Workmen's comp.	14,354 51,378
Fidelity	40,353 3,124
Surety	19,558 84,823
Plate glass	432 3,276
Burg. and theft.	41,047 22,085
Steam boiler	686
Engine and mach.	1,202 1,069
Auto prop. damage.	15,089 19,363
Auto collision	1,271 2,912
Other P. D. and coll.	2,734 25,161
Sprinkler	114 424
Total	\$1,090,552 \$1,240,140

Home Indemnity—Assets, \$7,367,346; dec. in assets, \$2,589,288; unearned prem., \$1,272,010; loss res., \$707,371; liab. res., \$1,527,155; comp. res., \$901,205; capital, \$1,750,000; surplus, \$908,570; dec. in surplus, \$219,048. Experience:

Prem.	Losses
Accidents	\$ 63,835 \$ 46,942
Health	12,970 7,620
Auto liability	1,635,573 1,491,813
Other liability	505,305 373,775
Workmen's comp.	993,811 1,210,742
Fidelity	107,779 62,207
Surety	127,464 263,654
Plate glass	61,381 72,565
Burglary and theft.	125,843 153,509
Auto prop. damage.	495,660 343,285
Auto collision	12,545 32,948
Other P. D. and coll.	14,043 18,539
Total	\$4,156,209 \$4,077,599

Utilities Mut., N. Y.—Assets, \$4,416,026; dec. in assets, \$23,251; unearned prem., \$1,108,782; loss res., \$275; liab. res., \$76,250; comp. res., \$2,316,115; surplus, \$1,801,265; dec. in surplus, \$103,330. Experience:

Prem.	Losses
Other liability	\$ 16,640
Workmen's comp.	\$1,133,297 523,152
Total	\$1,133,297 \$ 539,874

Employers Liability Assur.—Assets, \$34,624,944; dec. in assets, \$202,464; unearned prem., \$9,175,052; loss res., \$1,-

205,265; liab. res., \$7,703,404; comp. res., \$7,336,535; deposit \$715,000; surplus, \$5,681,947; dec. in surplus, \$391,503; contingency res., \$1,000,000. Experience:	
Prem.	Losses
Accident	\$ 419,816 \$ 271,949
Health	160,426 116,150
Non-canc. H. & A.	637 490
Auto liability	8,426,919 4,234,683
Other liability	3,948,092 1,558,385
Workmen's comp.	7,976,570 5,527,691
Fidelity	490,985 196,360
Surety	219,173 112,301
Plate glass	227,112 86,945
Burglary and theft.	617,781 295,668
Steam boiler	322,873 33,787
Engine and Mach.	74,829 94,150
Auto prop. damage.	2,520,744 801,515
Auto collision	271,703 131,544
Other P. D. and Coll.	159,682 40,525
Collective	13,948 11,117
Total	\$25,851,290 \$13,513,260

London Guar. & Acc.—Assets, \$14,504,125; dec. in assets, \$707,027; unearned prem., \$3,367,744; loss res., \$1,016,042; liab. res., \$2,190,078; comp. res., \$3,685,762; capital deposit, \$800,000; surplus, \$1,158,205; inc. in surplus, \$314,863; secur. fluc. res., \$1,622,307. Experience:

Prem.	Losses
Accident	\$ 215,944 \$ 143,117
Health	30,318 22,188
Workm. collective ..	296 255
Auto liability	2,239,666 1,093,392
Other liability	914,614 338,688
Workmens comp.	2,083,959 1,550,875
Fidelity	904 7,320
Surety	7,612 6,395
Plate glass	106,935 42,726
Burglary and theft.	133,445 129,934
Steam boiler	123,183 19,712
Engine and Mach.	6,332 3,874
Auto prop. damage.	731,856 264,506
Auto collision	64,075 32,619
Other P. D. and Coll.	28,444 7,348
Credit	709,294 516,217
Total	\$7,576,877 \$4,179,166

London & Lancashire Indem.—Assets, \$4,979,370; dec. in assets, \$493,886; unearned prem., \$1,461,318; loss res., \$499,688; liab. res., \$1,090,472; comp. res., \$379,973; capital, \$750,000; surplus, \$450,433; dec. in surplus, \$359,360; secur. fluc. res., \$70,000. Experience:

Prem.	Losses
Accident	\$ 66,066 \$ 22,884
Health	5,529 1,231
Auto liability	1,153,932 710,940
Other liability	271,553 102,995
Workmen's comp.	333,219 339,695
Fidelity	54,026 32,545
Surety	93,816 295,359
Plate glass	89,852 34,621
Burglary and theft.	113,364 42,153
Auto prop. damage.	337,498 143,633
Auto collision	32,189 17,765
Other P. D. and Coll.	11,430 4,081
Total	\$2,562,474 \$1,747,902

American Employers, Mass.—Assets, \$7,342,573; inc. in assets, \$462,861; unearned prem., \$1,683,394; loss res., \$443,991; liab. res., \$1,465,863; comp. res., \$834,076; capital, \$1,000,000; surplus, \$803,028; inc. in surplus, \$130,061; contingency res., \$750,000. Experience:

Prem.	Losses
Accident	\$ 59,430 \$ 41,485
Health	7,606 7,529
Auto liability	1,941,884 1,253,591
Other liability	449,071 198,784
Workmen's comp.	1,056,833 813,402
Fidelity	186,953 65,731
Surety	211,620 128,255
Plate glass	69,384 29,679
Burglary and theft.	126,648 51,738
Steam boiler	33,844 8,334
Engine and Mach.	2,810 3,413
Auto prop. damage.	621,309 212,374
Auto collision	47,129 30,185
Other P. D. and Coll.	16,471 16,668
Collective	1,021 130
Total	\$4,832,013 \$2,861,298

Continental Assur., Ill.—Assets, \$17,839,676; inc. in assets, \$980,217; unearned prem., \$70,377; loss res., \$133,952; non-canc. A. & H. res., \$43,828; capital, \$1,000,000; surplus, \$2,156,465; dec. in surplus, \$123,193; secur. fluc. res., \$500,000. Experience:

Prem.	Losses
Accident and health. \$	17,497 \$ 14,082
Non-canc. H. & A. ..	131,737 41,374
Total	\$ 149,234 \$ 55,456

Merchants Indemnity, N. Y.—Assets, \$1,645,716; dec. in assets, \$135,793; unearned prem., \$259,329; loss res., \$4,967; liab. res., \$159,547; comp. res., \$5,173;

capital, \$600,000; surplus, \$201,592; dec. in surplus, \$253,552; secur. fluc. res., \$310,776. Experience:

Prem.	Losses
Accident	\$ 1,294 \$ 875
Auto liability	426,570 150,865
Other liability	17,442 4,166
Workmen's comp.	1,507 1,333
Plate glass	13,450 4,097
Burglary and theft.	7,986 1,223
Auto prop. damage.	19,868 4,637
Other P. D. and Coll.	2,788 410
Total	\$ 490,905 \$ 167,606

Ohio Casualty—Assets, \$3,295,479; inc. in assets, \$90,833; unearned prem., \$1,391,713; loss res., \$207,631; liab. res., \$549,352; capital, \$600,000; surplus, \$328,175; dec. in surplus, \$186,340; secur. fluc. res., \$121,745. Experience:

Prem.	Losses
Accident	\$ 10,970 \$ 3,934
Other liability	64,395 8,336
Fidelity	51,325 8,072
Surety	178,159 118,085
Plate glass	81,857 32,129
Burglary and theft.	47,986 18,588
Other P. D. and Coll.	3,158 684
All automobile	2,442,372 955,898
Total	\$2,880,222 \$1,145,726

General Reins., N. Y.—Assets, \$14,474,515; inc. in assets, \$2,652,014; unearned prem., \$1,951,222; loss res., \$2,728,340; liab. res., \$2,469,975; comp. res., \$976,201; non-canc. A. & H. res., \$752,575; capital, \$1,000,000; surplus, \$2,093,195; inc. in surplus, \$478,455; contingency res., \$1,301,718. Experience:

Prem.	Losses
Accident	\$ 365,430 \$ 226,833
Health	53,659 32,077
Non-canc. H. & A.	155,804 327,764
Auto liability	1,795,238 591,143
Other liability	415,817 130,954
Workmen's comp.	242,154 139,321
Fidelity	434,370 184,438
Surety	504,191 887,209
Plate glass	996 18,023
Burglary and theft.	318,663 101,384
Steam boiler	14,062 2,720
Engine and Mach.	30,994 455
Auto prop. damage.	9,473 10,820
Auto collision	1,569 4,822
Other P. D. and Coll.	36,435 6,830
Credit	4,506 364
Total	\$4,352,099 \$2,664,429

Chicago Lloyds—Assets, \$2,298,633; dec. in assets, \$576,213; unearned prem., \$386,338; loss res., \$119,088; liab. res., \$111,159; guaranty fund, \$1,610,000; surplus, \$1,502,722; dec. in surplus, \$642,069. Experience:

Prem.	Losses
Fire	\$ 227,906 \$ 259,344
Hail	11,175 3,596
Windstorm	25,634 146
Sprinkler leakage ..	202
Earthquake	365
Inland transportation	10,325 9,279
Riot and civil com. ..	1,204
Accident	28,494 24,706
Auto fire	26,078 7,310
Auto theft	52,276 49,871
Auto collision	23,768 7,591
Auto prop. damage.	99,451 33,718
Auto public liability.	316,211 133,269
Auto tornado	507
Auto chauffeurs' cov.	37
Auto plate glass	248 81
Auto towing	2,950 1,525
Credit	8,342 5,429
Fidelity	1,179 2,637
Fraud bond	1,944 1,603
Fur	6,476 4,469
Householders' com- prehensive	1,769 355
Patent	3,323 581
Plate glass	—33 388
Stock burglary	25,522 19,492
Total	\$ 875,353 \$ 565,390

Consolidated Indemnity—Assets, \$7,713,289; inc. in assets, \$1,507,784; unearned prem., \$1,382,780; loss res., \$754,926; liab. res., \$1,551,527; comp. res., \$119,881; capital, \$800,000; surplus, \$1,336,512; inc. in surplus, \$187,945. Experience:

Prem.	Losses
Auto liability	\$3,163,220 \$ 979,334
Other liability	166,777 45,064
Workmen's comp.	259,966 140,618
Fidelity	8,571 25,527
Surety	86,355 911,081
Plate glass	64,672 23,256
Burglary and theft.	68,508 26,587
Forgery	—1,204 690
Auto prop. damage.	1,104,148 303,186
Auto collision	16,833 10,098
Other P. D. and coll.	5,656 2,126
Total	\$4,943,502 \$2,467,566

for the new Dec. 31, 1932

Annual Statements

of
All Fire and Casualty Co's

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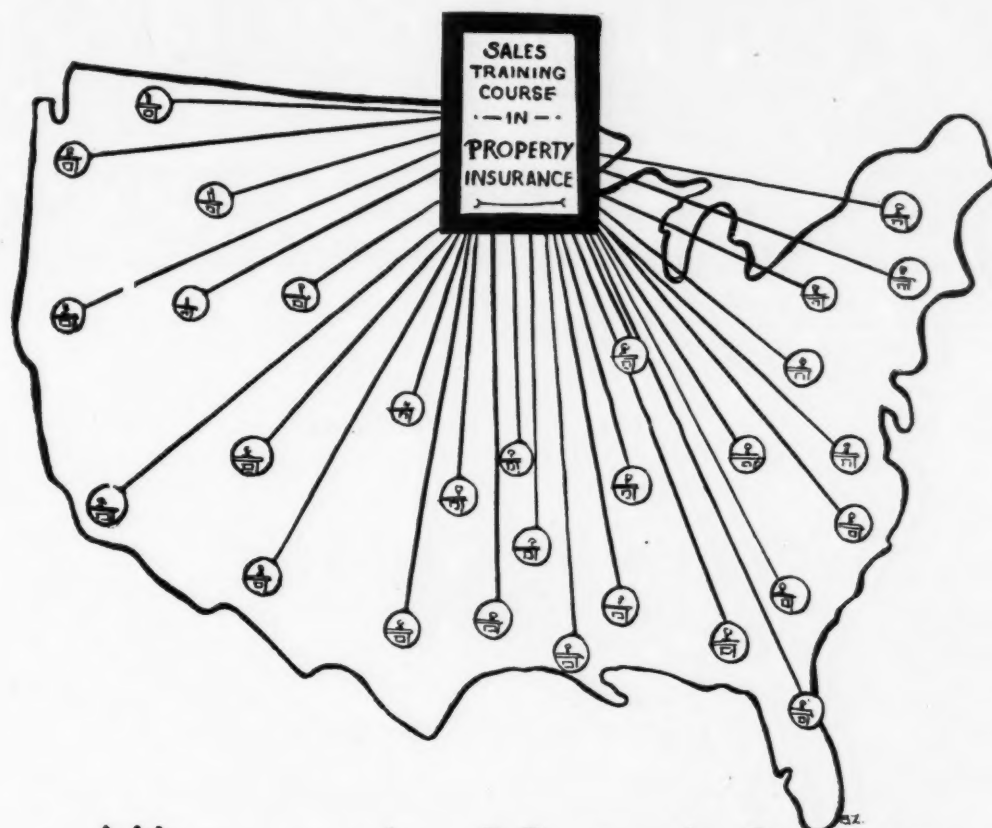
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114TH ANNUAL STATEMENT
OF THE
ÆTNA INSURANCE COMPANY
HARTFORD, CONNECTICUT

December 31, 1932

RALPH B. IVES, PRESIDENT



Capital Stock, \$7,500,000

ASSETS	\$49,686,423.63
LIABILITIES (except capital)	\$27,883,124.42
POLICY-HOLDERS' SURPLUS	\$21,803,299.21

Assets

Bonds and Stocks,	\$44,157,057.05
Real Estate,	1,035,000.00
Cash on Hand and in Bank,	1,821,938.05
Premiums in Course of Collection,	2,419,879.18
Interest and Dividends Accrued,	166,372.77
Other Admitted Assets,	86,176.58
Total Assets,	\$49,686,423.63

Liabilities

Unearned Premiums,	\$18,460,826.18
Losses in Process of Adjustment,	2,409,245.24
Reserve for Dividends,	375,000.00
Reserve for Taxes and Expenses,	745,000.00
Contingency Reserves,	5,893,053.00
Capital,	7,500,000.00
Net Surplus,	14,303,299.21
Aggregate, including Capital and Surplus,	\$49,686,423.63

Statement based on convention values of stocks and amortized value of bonds as of December 31, 1932.

PAID TO POLICYHOLDERS SINCE ORGANIZATION - \$356,401,300.83